

CONTINENTAL SELLING PRICES: AUSTRIA Sch. 15; BELGIUM F. 25; DENMARK K. 7.00; FRANCE F. 5.00; GERMANY DM 2.00; ITALY L. 1.100; NETHERLANDS F. 2.25; NORWAY Kr. 1.00; PORTUGAL Esc. 65; SPAIN Ptas 50; SWEDEN Kr. 6.50; SWITZERLAND Fr. 2.00; DRE 50p; MALTA 20c

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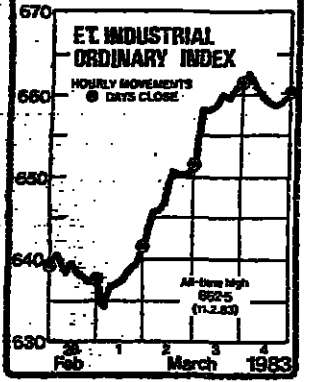
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**A windmill
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in yachting**

NEWS SUMMARY

GENERAL
Posnett quits as Bermuda Governor
Sir Richard Posnett has resigned as Governor of Bermuda, after denying allegations of irregularities in his expenses. He was recalled by the Foreign Office last month after the Bermuda Government, which pays Government House expenses, claimed he entertained private guests with official funds. He said publicity for these claims made it impossible to carry on with the job. Page 3

BUSINESS
Gilts strong; dollar weaker
● **GILTS** were in demand on enthusiasm for lower UK money market rates. Longs gained up to 11, shorts were up by 1. Page 22
● **EQUITIES** remained strong but were affected by late profit-taking. The FT Industrial



Lebanon killings
Gunmen killed six Lebanese soldiers and wounded 12 in an ambush 40 miles east of Beirut. Page 2

Walesa 'plot'
Rome magistrates began interrogating a former Italian trade union official over an alleged Bulgarian-inspired plot to kill Lech Walesa. Page 2

Third wrong raid
West Midlands detectives raided the home of a widow in her 70s by mistake—her third such error this week.

Boat race row
A row over whether Oxford oarsman Boris Rankov, a research fellow, is a student is threatening next month's boat race against Cambridge.

Nobblers jailed
Eight people were jailed at the Old Bailey, one for seven years, for trying to bribe a jury in a burglary case.

Alliance delay
Liberal leader David Steel said he and SDP leader Roy Jenkins had postponed the idea of designing a "Prime Minister designate" for the Alliance.

England lose
Pakistan (225/6) beat England (219/9) in a one-day charity cricket match in Sharjah.

Uganda warning
The National Resistance Army, a Uganda guerrilla group, warned foreigners to leave the country as it planned to step up operations around Kampala.

Burglary award
Londoner Anthony Dove was awarded £5,074 damages against the company which installed a security gate at his home. Burglars got through it in 10 minutes but were scared off by a noisy singing Onward Christian Soldiers.

Militant
Hordes of Argentine ants, driven by drought, are invading Johannesburg homes. They especially like eating bread and soap.

Briefly
French couple made the first Mediterranean crossing by hot air balloon.
A man was feared dead and 22 were saved from a blazing cargo ship off Sicily.
Georges Hemi ("Herge"), Belgian cartoonist who created Tintin, died at 75.

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

RISES	FALLS
Excheq. 104 1/2-87	Arlen Elec. 316 - 7
A (250-pd) 224 1/2-1	Ant & Wiborg 30 - 3
Exchqd. 12 1/2-138 210 1/2	Crouch (D.) 85 - 10
Applied Computer 168 + 15	Inter-City 30 - 4
Bell & Stone 168 + 38	London & Liverpool 410 - 25
Booker McConnell 70 + 5	Polly Peck 115 - 1
Brooks Watson 44 + 6	Acorn Sers. 112 - 20
Carlton	Ashton Mining 66 - 8
Comet 212 + 8	Cone Gold Fields 497 - 10
Courtney Pope 98 + 6	East Rand Prop. 213 - 13
Fisons 558 + 7	Edulid 227 - 1
Ford (M.) 25 + 4	Harmony 112 - 11
Hampshire 316 + 16	Hartbeest 246 - 31
Hepworth Ceramic 139 + 5	Pancontinental 80 - 8
Jones Group 118 + 8	Posidon 273 - 17
News International 138 + 13	President Brand 225 - 21
Plesurama 543 + 28	Randfontein 252 - 3
Porter Chubb 77 - 12	South African Land 468 - 51
Spax-Sarce 210 + 15	Val Reef 281 - 41
Thorn EMI 482 + 3	Winkelhaas 225 - 24
Waring & Gillow 84 + 8	

PRESSURE GROWS TO SETTLE PRODUCTION QUOTAS

Opec ministers still divided

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

MINISTERS FROM the Organisation of Petroleum Exporting Countries were still some distance from clinching an agreement on oil prices and production last night after two days of talks in London.

They have given themselves another 48 hours for consultations before the next session of negotiations on Monday when all 13 Opec members are expected to be present.

Several ministers expressed optimism after yesterday's informal session which involved eight delegations. Mr Humberto Calderon Fournier, the Venezuelan Energy Minister, insisted that talks were moving forward, but members of other delegations reported "quite serious" difficulties over production sharing.

"Because of the risk of a price war breaking out if we fail here in London is determined to avoid a breakdown," said a member of one delegation last night. "We are quite prepared to stay on here for several days yet. Certainly no-one wants to be the first to say that they are packing their bags."

The pressure for a decision will intensify with the expected arrival of the remaining five members of Opec who have been invited to join the talks. Dr Mana Said al-Oteiba, the United Arab Emirates Oil Minister, said that if Monday's talks went well the meeting could become a formal Opec session empowered to take binding decisions.

Groups of ministers will be meeting today and Sunday on the issue of production quotas. Several formulas are being discussed involving production ranging downwards from 17.5m barrels a day.

But with current Opec output running at less than 14m b/d and no sign of an end to destocking by customers, a consensus appears to be emerging that at least for the next three months a target of 16.5 would be more realistic.

Iran, which is sending a delegation to Monday's talks, appears determined to frustrate the hopes of a successful outcome. It is demanding a 3m b/d production quota and is resolutely opposed to any reduction in the \$34 benchmark price for Saudi light crude.

Mr Hossein Mousavi, the Iranian Prime Minister, yesterday described the Opec negotiations as "a plot." At a Friday prayer meeting in Tehran he said: "With this hollow plan they think that by putting pressure on us they will bring us to our knees at this sensitive moment when we are at war."

He accused Saudi Arabia and other Gulf states of "sitting and planning and plotting."

According to some reports, Sheikh Ahmed Zaki Yamani, the Saudi Oil Minister, has said that his country needs an additional output of 700,000 b/d just to compensate Iraq for its lost production due to the Gulf war. Saudi Arabia has been Iraq's principal financial supporter during the war.

Opec ministers had no further meetings yesterday with Mr Nigel Lawson, the Energy Secretary, but remain anxious to draw non-Opec members into an understanding on pricing and production.

Mr Bernardo Sepulveda, the Mexican Foreign Minister, said his country would not be joining Opec but was anxious to co-operate with the organisation.

If Opec was to cut its reference price as planned by \$4 a barrel, Mexico would follow with cuts of between \$2 and \$2.50 a barrel, he said. Mr Sepulveda, who is on a visit to Tokyo, said Mexico wished to maintain an "oil export platform" of 1.5m b/d.

Editorial Comment, Page 14; North Sea spectre, Page 3

NCB and BSC leadership in doubt

BY IAN RODGER AND JOHN LLOYD

MR IAN MacGREGOR and Sir Alistair Frame are expected to decide next week to decline the chairmanships of the National Coal Board and the British Steel Corporation respectively.

Both men have been under considerable pressure to accept the positions from the Prime Minister's office.

Mr MacGREGOR, 70, is being urged by his family to retire and return to the U.S. He is also aware that the atmosphere surrounding his possible entry to the coal industry would not be as propitious as that when he arrived at BSC nearly three years ago.

At the time BSC was just emerging from a devastating strike and demand was plunging. The trade unions were demoralised and the Government was prepared to take the most drastic action. Mr MacGREGOR, who was expected to preside over a rundown of the industry, quickly dismissed all opposition by proposing instead to try to save jobs by making it more efficient.

It is widely believed that Mr MacGREGOR would want to make dramatic cuts in manning at the NCB to improve productivity just as he did at BSC, but it seems doubtful that he would get anything like the same level of compliance from the workforce that he got at BSC.

Senior coal board managers are showing considerable hostility to the proposed appointment of Mr MacGREGOR. They believe his reputation and his presumed brief to close pits rapidly would severely damage an industry in which industrial relations have traditionally been consensual.

They also believe that the person appointed to succeed Mr Norman Siddall, who is retiring as NCB chairman this summer, should be much younger than Mr MacGREGOR. They consider that the new chairman should be given at least five years to bring some stability to the industry and manage the difficult negotiations with Mr Arthur Scargill, the miners' leader.

Sir Alistair Frame, 54, has been deputy chairman and chief executive of Rio Tinto-Zinc since 1978. Although passed over for the chairmanship in 1981, he still has several years in a strong position to look forward to within the big mining finance house.

The job of the next chairman of the BSC will be made more complicated than now because the Government is determined to include in his terms of reference a requirement that much, if not all, of the corporation be returned to the private sector.

There has been little speculation so far about other possible candidates for these posts. As in the case of the appointment of the new Governor of the Bank of England two months ago, the MacGREGOR and Frame proposals have come directly from the Prime Minister.

Bankers study 'lifeboat' scheme

BY ALAN FRIEDMAN, BANKING CORRESPONDENT

PROPOSALS TO establish an international agency, which could help banks which have made loans to problem debtor nations, are being considered by a number of senior commercial and central bankers.

It was stressed yesterday that the proposals, under discussion in London and New York, are so far only preliminary. But the Bank of England is being kept in the loop of the scheme's progress and is understood to be taking an interest in its evolution.

Most of these "lifeboat" schemes envisage some sort of supranational agency, possibly under the aegis of the International Monetary Fund, which could purchase portions of sovereign loans, probably at a discount, from commercial banks. This would ease the burden on banks—particularly the smaller institutions—which are carrying loans with little prospect of early repayment.

One banker who has been at work on such a scheme is Mr Felix Rohatyn, a partner at Lazard Freres in New York and chairman of New York's Municipal Assistance Corporation.

Mr Rohatyn last night described many of the loans to debtor countries as "very long-term loans" and recommended the establishment of an international agency to assist banks.

"The best thing for the West would be to push oil prices down as far as possible without having to worry about the viability of the oil market," he said.

Continued on Back Page

Merrill Lynch in currency probe

BY PAUL TAYLOR IN NEW YORK

MERRILL LYNCH, the major Wall Street brokerage firm, confirmed yesterday that it was "co-operating fully" with a U.S. Government request for documents related to currency transactions by the brokerage firm and the number and amount of similar cash transactions reported by banks which handle the company's accounts.

Grand jury subpoenas were served on the company in New York in January for its 1981 banking records, a time period when the National Law Journal says the apparent discrepancies in one area of New York alone totalled about \$8.5m.

Merrill Lynch issued a statement yesterday confirming that documents had been requested. The brokerage house said: "Merrill Lynch is aware that the U.S. attorney requested documents related to currency transactions by customers."

Merrill Lynch added: "The company is unaware of any instances where we have not fulfilled our reporting obligations."

It also said that it was "co-operating fully with the Government."

Continued on Back Page

Oil price worry squeezes Budget tax cut plans

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE TAX "give-away" planned for the Budget on March 15 has been squeezed to £1.5bn-£2bn as a result of oil price uncertainty, and the largest benefit is now likely to be for income tax payers.

The main measures are likely to be the raising of income tax allowances and thresholds by 44 percentage points above the rate of inflation and an increase in the child benefit in real terms. Industry will gain by some specific measures to encourage investment, but a further cut in the Employers' National Insurance Surcharge is now unlikely.

Taxes on drink and tobacco will go up—but possibly by slightly less than the inflation rate.

The Treasury and Downing Street are still arguing about whether to give help to house owners by raising the £25,000 limit for mortgage interest relief to £35,000.

A final decision on the Budget details will not be taken until Thursday, when the Treasury hopes it might have a clearer idea about future oil price trends.

The Treasury is working on plans for tax cuts which would add about £1.5bn to Government borrowing in the next financial year, compared with the £2bn-£2.5bn which was being discussed before Christmas.

After allowing for the "feedback" of extra revenue generated by increasing public borrowing, Sir Geoffrey Howe, Chancellor of the Exchequer, will probably have a little under £2bn to "give away."

His borrowing target for 1983-1984 is likely to be between £8bn and £8.5bn.

At the present sterling-dollar exchange rate and with an oil price of \$30.5 per barrel, the Government's North Sea revenue in the 1983-84 financial year would be a little under £10bn, or about 7 per cent of total revenue.

However, a fall in the oil price to \$25 per barrel would wipe about £2bn off the Government's oil revenue. Against this, a 10 cent fall in the pound's

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is the world's most secure investment currency. The Swiss Franc has more than doubled against the \$US in 10 years. Average annual return on Swiss Bonds 1970-80 to Sterling investors (allowing for inflation and exchange rate changes) has been 8% above that on UK gilts. The Swiss Franc does not suffer from the volatility of gold.

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Investing in Swiss Franc Bonds in Election year not only gives you a secure investment, but also provides you with built-in insurance against the risks of:

- A return to high UK inflation
- Sterling devaluation
- Reimposition of UK exchange controls which could add substantially (in the form of a currency premium) to the cost of future overseas investments.

Copies of the B.I.A. Report and Accounts can be obtained from B.I.A. Bond Investments AG at the address shown above and in the UK from—EBS (Management) Limited, 38 Finsbury Square, London, EC2A 1PX Telephone: 01-588 3172 or 01-588 1932. Telex: 885901 EBSLDN G

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Italian questioned on Walesa 'death plot'

By John Phillips in Rome

ROME magistrates yesterday began interrogating a former official of an Italian trade union, one of eight people suspected of involvement in an alleged Bulgarian-inspired plot to murder Lech Walesa.

Sig Salvatore Scordo, who until two years ago worked in the international office of the Socialist-backed trade union federation UIL, was interviewed by state prosecutor Ferdinando Imposimato after receiving a judicial letter informing him he was under investigation for the alleged plot to kill the Polish labour leader with a car bomb during a visit Mr Walesa made to Rome in January 1981.

Most of the other suspects who received judicial letters this week are already well-known for their purported role in the so-called Bulgarian connection with the assassination attempt on Pope John Paul II on May 13 1981.

They were identified as: Mr Mehmet Ali Agca, the Turkish terrorist sentenced to a life prison sentence for his part in the papal shooting; Mr Sergei Ivanov Antonoov, the Bulgarian airline employee arrested in Rome on November 25 on a charge of complicity in the attack on the Pontiff in St. Peter's Square; Mr Luigi Scricciolo, the former head of the UIL International Office arrested last year on a charge of belonging to the Red Brigades; and three officials of the Bulgarian Embassy who are now in Sofia.

The position of an eighth person reported to be involved in the case, a member of the Press office at the Italian Ministry of Labour, was not clear after she denied reports she had received a judicial letter.

The suspects were named just as the trial of two Italian tourists accused of espionage opened in Sofia.

These latest developments have further strained relations between Italy and Bulgaria. The Italian Government has come under pressure from three of the four parties in Prime Minister Amintore Fanfani's coalition—the Socialists, Social Democrats and Liberals—who want to break off relations with the Communist state. The two countries have already recalled their respective ambassadors.

Italians are following closely the trial in Sofia which yesterday entered its third day after being restarted following an adjournment last year. One of the Italian citizens charged with military espionage, Sig Paolo Farsetti, has pleaded innocent but the other, Sgt Gabriella Trevisan, has admitted taking photographs of military installations.

Rome has gone on record as saying the Bulgarian connection with the papal shooting exists without doubt. Sig Lello Lascaris, the Socialist Defence Minister, called the attack on the Pontiff "an act of war in peacetime."

Magistrates have not made public their cases in either of the two investigations in Italy. Bulgaria has denied all charges of implication in the attempt on the Pope's life and some Italian politicians suspect the Socialists of exploiting the case to win popular support.

Mr Agca, however, told investigators he was recruited by the Bulgarians, offered money and assisted by Mr Antonoov and two Bulgarian Embassy officials.

Australia's Mrs McHugh hopes for a brilliant career

By Michael Thompson-Noel in Sydney

IT IS 11 am, and the weather promises to be hot. The sun has finally burnt the mist off Bondi Beach, and the surf is looking good. The lifeguards are on duty—probably fit and haughty—and from left to right, across the broad beach of Bondi, there is a bikini-clad expanse of slowly-toasting flesh.

To the south of Bondi, though not far away, are Coogee and Lurline Bay—to the west, Rankin, with its celebrated racecourse and bougainvillea-clad terraces.

In about an hour, you can see the lot, for together they comprise the federal constituency of Phillip, Australia's smallest (about 10 kilometres square), as well as the most populous.

If the pollsters are right, Phillip will fall today as part of a general election swing to Labor which, by about midnight, will have seen the fall of the Liberal-National Party Government, and its displacement by Labor.

Indeed, if the polls are correct, it will be in the cities (particularly Sydney and Melbourne), and not in the towns and bush, that the real battle will be fought. That is why the government this week blitzed the metropolitan marginals.

Overall, the Australian Labor Party needs a uniform swing of 1.4 per cent to gain the 11 extra seats needed for power, which ought to be within its compass, given that virtually all opinion polls show it to be leading by about 7 to 10 per cent.

At Phillip, Labor needs a swing of about 400 votes, or 0.7 per cent, which makes it one of the coalition's most marginal seats—along with Wilton (Tasmania), Kingston (South Australia), Barton and Riverina (New South Wales), and Herbert (Queensland).

The Labor candidate at Phillip is Mrs Jeannette McHugh—a calm chatter, who is a mother of three and married to Mr Michael McHugh, a former clerk at Broken Hill Proprietary but now president of the NSW Bar council and appearing for Mrs Lindy Chamberlain, who is appealing against conviction for murder of her baby in the famous "dingo" case.

Mrs McHugh used to teach French, which was helpful recently, in Coogee Bay Road, when a Frenchman shouted: "Not Labor, not after Mitterrand." She chased him up the street, and returned a bit flustered.

Opinion polls suggest the Australian Labor Party and its new leader, Mr Bob Hawke, have a lead of between 7 and 10 per cent. Labor needs 11 extra seats to gain power. A uniform swing of 3 per cent to Labor would give it 22 extra seats, while 1 or 2 per cent would give it 15 new seats. The present parliamentary line-up in the House of Representatives is 73 seats to the coalition partners, 52 to Labor.

Government strategists claimed last night the coalition could scrape back in with a three-seat majority, but conceded the Government faced a tough struggle to overcome the lead built up by Mr Hawke.

The share market seems to have accepted the likelihood of a Labor win. The All-Ordinaries index recovered by almost 1 per cent yesterday, to 5125 points, and is only 5 per cent below its level on February 27, when Prime Minister Malcolm Fraser called the election. The Metals Index is actually 2 per cent up.

Victory for Mrs McHugh at Phillip tonight would make her the first woman ever to win a NSW federal parliamentary seat, despite the fact that Australia was one of the first countries to introduce full adult suffrage. "Journalists are not sure how to approach me," she says. "The only women politicians they can think of are Mrs Thatcher, Mrs Meir, and Beaudin."

She is termed a left-winger, mainly because the NSW branch

of the Labor party is notoriously right-wing, and, says she, is categorically opposed to mining, production and export of uranium. This has not been a large election issue, though it could cause headaches for Labor eventually.

Mrs McHugh says the key issues at Phillip have been national—"unemployment, inflation, and interest rates." She says the unemployment rate in the constituency is about 13 per cent, and is worried because

the Labor party is notoriously right-wing, and, says she, is categorically opposed to mining, production and export of uranium. This has not been a large election issue, though it could cause headaches for Labor eventually.

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very shortly after he called the election on February 3, Mr Malcolm Fraser, the Prime Minister, snapped the electoral rolls shut, which may have disenfranchised large numbers of the young and out-of-work.

She is a long-standing admirer of Mr Bob Hawke, the new Labor leader, whose charisma and skilful campaigning in the past four weeks have been the most formative electoral factors.

"People trust his strength and determination. He is on everyone's level. It's an exact contrast to Mr Fraser, who is aloof from real life, from real people," she said.

"The man in the pub feels he's Bob's mate. Businessmen feel that they are at ease with Bob Hawke. Perhaps it's down to his lack of reserve. 'People know he was a knockabout fellow in the pub, they know him as a trade unionist. They know, too, that he is extremely well-qualified academically, and that he loves to get in there and fight."

"The only weaknesses that have been brought up are whether he's too emotional, whether he could be unstable, or likely to crack. Now you've watched his campaign. Not only

has he never cracked, but he's been performing brilliantly."

The sitting Liberal member is Mr Jack Birney, who is 54 and wears his hair but is something of a street fighter. He says he is the first member of the Australian Parliament directly descended from the settlers who landed from the First Fleet, and is regarded in Coogee as a bit of a lad.

Yesterday, he told me: "The greatest single lie (told by Labor) is that Fraser's policies are responsible for massive unemployment. Australia is a trading nation, and must sell its goods. Thanks to the wages explosion, Australia is pricing itself out of the market. People seem mesmerised by Hawke, but the Socialists will murder this country."

Signing papers rapidly all the while he spoke, Mr Birney finally seemed interested to hear I came from England. "Do you now?" he asked. "Find it hot? Think of what England lost when it lost Australia. You could have had kangaroos, koalas, wallabies—the Sydney Harbour bridge."

On which Lewis Carroll note, it was back into the sun, and the heat and dust of Bondi.

Pym refuses information on defence of Belize

MR FRANCIS Pym, the British Foreign Secretary, yesterday refused an urgent request from the Foreign Affairs Committee of the House of Commons for details of Britain's defence commitment to the Central American state of Belize, which achieved independence 18 months ago.

He also refused fully the government's right to sell weapons to any state in the region. Rejecting the Committee's call for arms control measures, Mr Pym said: "The Government's freedom for manoeuvre is constrained by the attitudes and policies of our competitors. He also warned of Soviet arms sales efforts in the area.

Salvador poll date

The Salvadoran Constituent Assembly has agreed to a U.S. suggestion to advance the date of the general elections from March next year to December 10, our Latin America correspondent writes. The decision is subject to ratification by the Central Electoral Council.

Mexico prices better

MEXICO'S spiralling inflation rate has started to come down. Consumer prices rose by 5.4 per cent in February, after 10.5 per cent in January and 10.7 per cent in December. The Bank of Mexico reported. William Chislett writes from Mexico City. Government economists believe that the Central Bank's tighter monetary policy is making feasible an inflation rate of between 65 and 70 per cent this year, after almost 100 per cent in 1982.

Rumasa inquirers

The Spanish Government appointed yesterday two special prosecutors to study the possibility of criminal action against former management officials of Rumasa, the giant building company taken over by the state last week. Reuter reports from Madrid.

Zimbabwe criticism

Mr Garfield Todd, the Liberal former Prime Minister of Southern Rhodesia, has added his voice to the mounting criticism of the Zimbabwe Government's handling of the disaffection in Matabeleland, our Harare correspondent writes. Speaking in the senate, Mr Todd, who is a Government-nominated senator, said "Government forces are called upon to show themselves stronger than the dissidents in what is really a conflict of terror."

S. African fines

A big South African newspaper group, its two senior editors and a top reporter were sentenced yesterday to fines totalling \$3,600 (£2,132) after a secret trial in which they were accused of contravening the country's official secrets laws, Bernard Simon reports from Johannesburg. The charges arose from stories carried by the Rand Daily Mail and the Sunday Times, about South African intelligence gathering in the Seychelles, shortly after an attempted coup on the islands by South African-based mercenaries in November 1981.

Pope in Nicaragua

Pope John Paul II arrived in Nicaragua and was immediately confronted by Sr. Domitilla Ortega, leader of the Government junta, who blamed the U.S. in an airport speech for "imperialist aggression." AP reports from Managua.

Thailand borrows

The World Bank has approved a loan of \$175m (£115.5m) to Thailand, to be used mainly to reduce trade and current account deficits. Thai officials said yesterday. Jonathan Sharp reports from Bangkok. The loan is the second made to Thailand under a structural adjustment programme.

Pressure on French franc grows in poll run-up

By David Housego in Paris

PRESSURE on the French franc intensified yesterday amid growing expectation that the French and West German elections will be followed by a realignment within the European Monetary System.

Dealers reported substantial intervention by the Bank of France to hold the French currency to FF 2355 against the D-Mark, which is just above the franc's central rate in the EMS. The one-month Eurofranc rate moved up to around 30 per cent or a gain of 10 percentage points on a week ago.

Dealers rule out a realignment before the second round of the French municipal elections on March 13. The first round on Sunday coincides with the West German general election.

Dealers expect hectic trading on Monday, and a strong shift into the D-Mark should West German Chancellor Helmut Kohl's Christian Democrats win.

A report in a Paris newsletter said that the French Government believed it had secured Herr Kohl's support for a substantial D-Mark revaluation in return for French backing for the Christian Democrats' stance on intermediate-range missiles. But the newsletter said that French hopes were likely to be disappointed.

Some dealers believe that if there is no realignment by March 30 or 27, it will be because of the failure of the French and West German Governments to agree on a change in parity.

As the campaign for the municipal elections closed quietly yesterday, the main fear on the government side was of sizeable abstentions because of a lack of enthusiasm by Socialist and, above all, Communist voters.

The opposition centrist and right-wing parties need to win back about 30 of the municipalities they controlled before the last municipal poll of 1977 to claim success.

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the West German general election.

Dealers expect hectic trading on Monday, and a strong shift into the D-Mark should West German Chancellor Helmut Kohl's Christian Democrats win.

A report in a Paris newsletter said that the French Government believed it had secured Herr Kohl's support for a substantial D-Mark revaluation in return for French backing for the Christian Democrats' stance on intermediate-range missiles. But the newsletter said that French hopes were likely to be disappointed.

Some dealers believe that if there is no realignment by March 30 or 27, it will be because of the failure of the French and West German Governments to agree on a change in parity.

As the campaign for the municipal elections closed quietly yesterday, the main fear on the government side was of sizeable abstentions because of a lack of enthusiasm by Socialist and, above all, Communist voters.

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Canada to cut EEC fish quotas

By Jim Rusk in Ottawa

CANADA plans a substantial reduction in European fishing quotas in Canadian waters in retaliation for this week's decision by the EEC to ban the sale of seal-skin.

The revised quotas will be announced in the very near future by Mr Pierre de Bané, Canadian Fisheries Minister, after he has had consultations with Mr Allan MacEachan, Secretary of State for External Affairs.

Last year Canada and the Community signed a five-year pact which gave European fishermen larger quotas in Canadian waters in return for improved access to European markets for Canadian-caught fish.

However, while European fishermen took 16,000 tonnes of fish in Canadian waters last year, only 2,000 tonnes of Canadian fish were exported to Europe, a factor the Canadian Government feels has contributed to the economic decline.

Canada has been warning Europe for some months that the fishing agreement has not been working.

"In view of the blatant non-compliance with the long-term agreement, obviously there will be a reduction of their quotas in our waters," Mr de Bané said.

Canada's irritation with Europe has been increased by what the Minister described as the Community's "irrational decision on Monday to extend temporary bans on the import of seal puppets for two years."

The ban will begin on October 1 unless European fears about conservation and alleged cruelty in the seal hunt are allayed by a joint scientific study with Canada.

The Minister said he would have to consider the impact of the Canadian fishermen of any reduction in European quotas.

Six soldiers killed in Lebanon ambush

By Nora Soustany in Beirut

SIX LEBANESE soldiers were killed and 12 wounded yesterday in an ambush by gunmen near Beirut, about 40 miles east of Beirut, a military spokesman said.

A Lebanese colonel, who was commanding the force on its way to target practice, was seriously wounded in the stomach.

The attack was the most serious challenge to the Lebanese army since President Amin Gemayel's election last September.

Private radio stations said the assault was mounted by dissident pro-Iranian militia backed by Iranian Islamic revolutionary guards.

However, a spokesman at the Lebanese army command said there was no accurate information on the identity of the assailants, who engaged in a three-hour battle with the troops.

There are Iranians in the Bekaa, are breakaway groups, who know who attacked today. "They were certainly not a regular force," said Captain Youssef Atrissi, spokesman for the Lebanese army command.

Voice of Lebanon said the attack on the army was mounted by Shi'ite Muslim militia of an extremist Iranian-supported group called "The Amal Islamic Movement" and Iranian Islamic revolutionary guards.

Eastern Lebanon is still largely under the control of Syrian troops. There have been no reports of infiltration of Iranian zealots. About 300 Lebanese have come to the Bekaa to preach religious fundamentalism to co-religionist local Shi'ites.

In Beirut, Mr Elie Salem, the Foreign Minister, said that Lebanon could not have normal trade relations with Israel because it would risk losing 95 per cent of its exports to the Arab world.

Mr Salem went on: "We are saying that Lebanon is not at present a normal country with normal relations with Israel. It is not in the interest of Israel to destroy Lebanon. Lebanon is a sick country. Lebanon is a sick country. When it regains its health we will discuss relations with everybody."

Chile seeks a further \$300m from foreign banks

By Anatole Kaletsky, recently in Santiago

CHILE is to ask international banks to add at least another \$300m to the \$900m of new money which the government has requested in its efforts to reschedule the country's \$1.7bn foreign debt.

Even if it can secure the finance, the Chilean Government must expect no economic growth this year, rather than the 4 per cent GNP increase which is still the official forecast.

Sr Martin Costabal, the government's budget director, said that \$300m was the minimum estimate of the country's loss of capital during January and February as a result of foreign banks cutting

short-term credit lines with Chilean financial institutions. He said that the government would insist on these losses being made good by international bankers as part of any debt rescheduling agreement.

Chile's original request for \$900m of new credit was based on reserve figures in mid-January before international banks started cutting their Chilean credit lines.

After the last two months' capital flight, the \$900m sum would no longer be sufficient to meet Chile's balance of payments needs, according to Sr Costabal, who ranks second in seniority in Chile's Finance Ministry.

Brazil-Poland debt talks

By Andrew Whitley in Rio de Janeiro

TWO WEEKS of talks between Brazil and Poland over ways of reducing Warsaw's \$1.6bn (£1.1bn) debt to Brazil have ended in failure. This year alone Poland is due to pay an estimated \$944m in principal and interest, according to Caex, the Brazilian foreign trade authority.

The Foreign Ministry in Brasilia said on Thursday it had not been possible to reach final agreement in negotiations with a Polish delegation led by Senator Doraz, the Deputy Minister for Foreign Trade. Talks are to be resumed at a later date.

Government supplier credits provided to Poland to finance the import of Brazilian agricultural and mineral products make up most of the unpaid debt. These were worth more than \$500m in 1981.

Until recently the Brazilian strategy was to put a ceiling on new credits at the present overall debt figure of \$1.6bn and try to maintain a two-way flow of trade.

But Brazil's own liquidity crisis and the dire state of local industries, some of which are competing with Polish goods, have toughened Brazil's attitude.

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BANISH STAIR PROBLEMS with a STANNAN HOMELIFT

When stairs in your home are impossible to climb, Stannan's Easy Climber is the answer. It's a safe, reliable, and easy-to-use stairlift. It's the only stairlift that can be used on stairs of any width, and it's the only one that can be used on stairs that are not straight. It's the only one that can be used on stairs that are not straight. It's the only one that can be used on stairs that are not straight.

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SDP attacks Labour move to win non-affiliated unions' support

BY JOHN LLOYD, LABOUR EDITOR

THE Social Democratic Party yesterday attempted to spread disaffection with Labour in union ranks by releasing the text of a letter from the Trade Unions for a Labour Victory (TULV) asking unions not affiliated to the Labour Party to assist the party "in whatever way possible."

Mr William Rodgers, the SDP's industry spokesman, called the move a "con trick." The non-affiliated unions are being cautious, but Civil Service unions may outline the policies of all parties as they affect their members, and invite them to bear these in mind when they vote at the next election.

The letter, from Mr David Barnett, chairman of the TULV, to general secretaries of non-affiliated unions, says that Conservative and Alliance policies are "anti-union." The only effective defence is to work for the return of a Labour Government.

The letter continues: "We appreciate that as a 'non-political' union in the sense that you are not politically affiliated, your ability to co-operate in our efforts will be limited out, political or not, as a TUC union you are equally listed for attack in the declared policies of the Conservative, Liberal and Social Democratic parties and so we have no hesitation in making this approach to you."

Mr Barnett says the TULV would welcome particularly publication of TULV articles and insertion of TULV leaflets, in union journals—both paid for by TULV—to avoid allegations of impropriety.

He says a meeting is to be arranged in London "with party leaders in attendance" to discuss the campaign. "We hope that it will be possible for you and/or a senior representative of your union to attend."

In a statement yesterday, Mr Rodgers said that the Labour Party was treating unions as their "personal property." The attempt to disguise propaganda as independent comment was "a shoddy con trick."

The statement continues: "It is an abuse of trade union power by a handful of individuals. Only a minority of union members are now Labour. Many are Social Democrats. Members of non-affiliated unions should not be deceived or bullied into bailing out the sinking Labour Party."

Mr Barnett's letter to the non-affiliated unions—which include such major unions as the local government officers, the teachers and the Civil Service

unions—is a departure from normal practice and demonstrates the need of the Labour Party for cash aid.

Mr Barnett was not available for comment last night. A TULV official said that the request was perfectly proper as it asked for space and offered payment in the same way as any other advertiser.

While many non-affiliated union officials are enthusiastic Labour supporters, they are required to exercise care in giving assistance to the party especially since recent cases, brought by union members, have often gone against unions which used general fund money for political purposes.

Mr Alastair Graham, general secretary of the Civil and Public Servants Association, said last night that the issue had been put before his executive. He would probably attend any meeting.

He said, however: "It is very difficult for us to do anything overtly political for any party. But I see no harm in putting out a questionnaire to all the parties before an election asking for their policies towards civil servants, then publishing these policies so that our members can make up their own minds when they vote."

Most pay rises now 'above inflation'

BY BRIAN GROOM, LABOUR STAFF

THE MAJORITY of pay increases are now above inflation, though only by marginal percentage points, following the rapid fall in the rate of price rises, says the pay-monitoring company Incomes Data Services.

The company says that the bulk of settlements in January, when the inflation rate was 4.9 per cent, were between 4.5 and 7.5 per cent. The spread of settlements last autumn was 5 to 8 per cent.

The report considers whether pay negotiators are beginning "to live with" low price rises, in line with the Government's forcible argument that they should respond to 5 per cent inflation with the expectation that it will last for the foreseeable future.

It finds that while the Government seeks to hold public-sector increases to between 3.5 and 4.5 per cent where it holds the purse strings directly or indirectly, employers in the private sector follow independent policies depending largely on domestic circumstances.

Settlements at the higher end include some sectors of chemicals and pharmaceuticals, with Pfizer settling at 9.5 per cent in December and Unichem at 10.6 per cent in January. The general spread in chemicals, both heavy and fine, has been between 6 and 10 per cent in recent months.

At the lower end companies in a number of industries seek deferments or marginal increases, and in exceptional cases propose wage cuts. In almost every case we find that inflation, low or otherwise, has nothing to do with arguments," says the report.

Less of orders caused Bronx Engineering to delay an increase. Hyster and ICI/Marley said closures and redundancies were the alternative to pay reductions and rationalisation. In spite of the publicity given to the decision of 500 workers

Foundry group set to back Labour NEC

By Our Labour Staff

SUPPORT for the centre-right of the Labour Party has come from the preliminary agenda for the conference of the Foundry Section of the Right-Left Amalgamated Union of Engineering Workers.

Motions on the union's agenda call for support for the stance of the Labour Party's national executive committee on the Militant Tendency, and also back one person, one vote system for constituency parties re-selecting their MPs.

The latter motion could become a rallying point for the right, in the unions during the coming round of conferences. It reads: "This conference, recognising the need for a unitary system of elections on party issues in the Party, and believing that democracy means the widest possible franchise, calls for the NEC to bring forward at the next possible conference constitutional amendments to provide for an individual ballot of members in elections for the CLP section in the leadership deputy leader electoral college, and in resolution of parliamentary candidates."

More worrying for the Labour leadership is the appearance of motions reaffirming support for, and affiliation to the Labour Party. Until recently these would have been unnecessary.

Neither is there any hint in the agenda of moves towards acceptance of an incomes policy through a national economic assessment. One motion calls for a break with the policies of the last Labour government and the two more oppose wage restraint.

● The executive of the white-collar Technical, Administrative and Supervisory Section of the engineering union has agreed to continue talks with the three other sections of the union over the possibility of a full merger.

Tass has until now successfully blocked any merger in the course because of what it feared would be an effective take-over by the engineering section.

Hailwood pay offer accepted

By Nick Garnett, Northern Correspondent

WORKERS at Hailwood & Ackroyd, the Leeds vehicle component makers, voted yesterday to end their six-week strike and accept a new pay offer. They will return to work on Monday.

The dispute at the company, which produces hydraulic valves and braking systems, halted International Harvester's tractor output for a month and disrupted supplies to other commercial vehicle builders.

Karrier Motors suffered from intermittent supplies and said this week that it had found a new source of components. It would resume normal work on Monday irrespective of what happened at Hailwood & Ackroyd.

Mr Colin Hampshire, Leeds district secretary of the Amalgamated Union of Engineering Workers, said the 18-month pay deal gave an increase of 10 per cent on wage rates and was worth about 12 per cent overall. The previous offer was worth 8.5 per cent over one year, the company said.

Sun shines through the clouds

LONDON

ONLOOKER

Oil, gold and coal were the dominant considerations behind this week's market movements. Fears that Opec countries, hit by plummeting oil prices, might resort to selling gold sent the spot price reeling. This triggered the biggest fall in South African gold mine shares for three years, but a calmer mood prevailed midweek prompting the highest ever one-day jump in the FT Gold Mines index of 57.6.

Polly Peck in the descendant again provided a distraction for equity dealers. Even a temporary suspension failed to stop the rout and the price collapsed to £10, before rallying to £14, a long way from the £33 peak.

This aside the equity market was restrained until the outlook on oil prices brightened and the threat of a coal strike receded a little. As lower prime rates and good economic indicators in the U.S. put Wall Street on the

boil, confidence returned in London and the FT Industrial Ordinary index glimpsed a record before end-of-account profit taking left it at 660.3 for a gain over the two week account of 1.4.

Insurers damaged

The 1982 results from the three major UK composite insurance groups, Commercial Union, Royal and General Accident, confirm what the market has known and feared—the world insurance market is in one gigantic mess. The combined underwriting loss of these three groups is just under £600m—almost the total losses in 1981 for all insurance company members of the British Insurance Association.

The black spots for these companies are the U.S. and the U.K. The U.S. has been on a downward trend for four years with no sign of bottoming out yet. GA recorded losses more than doubling to £40m. Royal saw its U.S. losses triple to £91m, while CU took the jack-pot with losses up to £271.5m—double the previous year.

The slide to disaster in the UK has come very quickly and

much more sharply than the U.S. 1981 was a good year for the insurance companies in their home territory. One year later they are reporting heavy losses with GA leading the field. Its breakeven position in 1981 turned into massive losses of £73m last year, with commercial fire, motor and householders business all recording heavy losses. Royal had a modest profit in 1981, but last year lost £37m. CU found the UK another disaster area with losses rising fourfold to £45m.

Recoveries in Canada and Australia, especially the blow somewhat, softened for Royal. Royal's heavy involvement in both territories. Even so, shareholders should have looked with foreboding on the results. Instead those with Royal and GA get a small increase in dividend, whilst those with CU have an unchanged payout.

Buoyant investment income ensures that all three groups had pre-tax profits, albeit at a much lower level than in 1981. Royal being the most resilient and showing a slight improvement in net profits thanks to a favourable tax position. The dividend stance shows a confidence in the future that the market will certainly want to see borne out this year.

Unilever's rise

Despite heavy losses in the paper and packaging division and increasingly difficult trading conditions in Nigeria, Unilever ended 1982 with pre-tax profits of £722.6m, a rise of £13.4m on the previous year.

But on comparable exchange rates, this was a decline of 3 per cent. Restructuring costs, especially in the UK involving the closure of the Thames Board factory at Warrington with the loss of about 800 jobs, contributed to a further squeeze on profitability.

Bright spots included improved operating profits in North America, up 28.3 per cent to £106m.

Apart from the strength of the dollar, this was due to a hefty products drive by Lever Brothers, which could lead to Lever breaking even in the current year.

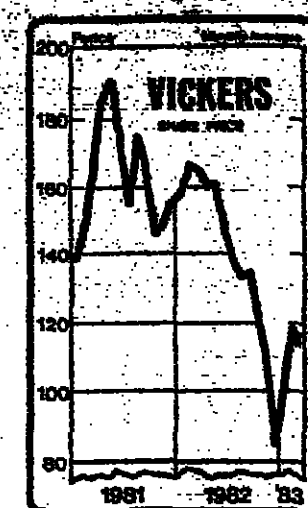
Principal weaknesses were within the EEC, which bore the brunt of the rationalisation costs. Clearly, Unilever's interests in food, detergents and industrial products mean growth will largely depend on the strength of any recovery in European consumer spending. The EEC and other European countries account for 54 per cent of operating profits.

In the developing world, where Unilever earns almost 40 per cent of its operating profits, low prices for gold, oil and other commodities will also be crucial. The directors, meanwhile, take the view that 1983 will bring a significant improvement in economic conditions.

Planning on this basis, they are continuing their drive to slim the company down. Unexciting earnings seem likely for the first half of 1983, but Unilever's more aggressive image could put it in a good position to take advantage of any medium-term economic recovery.

Vickers skids

The one-third cut in Vickers dividend to 8p less than a year ago, the raising of £25m in a rights issue has sparked off some nervousness about the group's ability to produce the



kind of profits sufficient to justify the issue. And further questions may now be raised as to the wisdom of other aspects of the group's strategy.

If Vickers sticks to its guns, following its declared strategy of establishing a strong market presence in at least two significant geographical locations, some prudence of group activities may be on the cards. This, of course, does not apply to those businesses which have been growing fast enough to generate sufficient funds to assist capital spending in the major divisions, but rather to less profitable operations.

The machine tool division—in which losses rose from £200,000 to £1m last year—was a case in point. After carefully identifying those areas of its business with sufficient international standing and acceptable prospects for profit growth, the disposal of some of the more problematic divisions would free management to concentrate on the group's more substantial activities.

One of the areas deserving of more attention is the Rolls-Royce motor division, where a fall in trading profits of some £10m to £8.2m was largely responsible for Vickers' overall 17 per cent decline in 1982 operating profit to £35.3m (£32.4m). Group taxable profits emerged £5m lower.

The motor result might well have been worse but for a sharp upturn in Rolls-Royce's U.S. sales towards the end of the year. That rather late, but encouraging sign, leaves the outlook for Rolls-Royce sales somewhat brighter than a year ago.

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1982/3	1982/3	
	y/day	on week	High	Low	
F.T. Govt. Secs. Index	80.52	+1.58	85.84	61.99	Improved demand
F.T. Ind. Ord. Index	660.3	+21.1	662.5	518.1	Emphasis switches to leaders
F.T. Gold Mines Index	578.2	+48.5	734.7	181.2	Weak bullion price
Applied Computer	400	+62	400	144	Rights issue and forecast results
BP	314	+14	340	258	Hopes of Opec agreement
Cornell	135	-38	260	105	Proposed merger postponed
Dollands Photo	100	+30	100	15	Bid of 37p per share
Fisons	558	+92	558	145	Excellent results
Gold Mines of Kalgoorlie	600	+110	810	120	Sharp fall in bullion
London Brick	156	+10	157	70	Sharp rise in housing starts
Lucas Industries	150	+17	236	121	BL Maestro launch
Metal Box	194	+24	196	132	Broker's re-rating
Mintet	117	+13	157	87	U.S. bid speculation
Plessumma	543	+63	543	149	Broker's circular
Polly Peck	£15	-8	£36.1	314	Greek-Cypriot allegations
Spirax-Sarco	210	+34	210	132	U.S. acquisition
Tesco	129	+18	134	48	Firm food retailers
Waring and Gillow	94	+24	122	67	Bid speculation
Wearwell	60	-22	107	40	Proposed merger delayed
Woolworth	258	+31	258	159	Rationalisation moves

Healthy indicators

WALL STREET now has the bit between its teeth. The current strength in share prices is based on the idea that the economy is recovering much more sharply than has been expected only a month or two ago, and that the outlook for inflation has been improved by the fall in oil prices.

From time to time, there are brief moments of panic about the financial consequences of a free fall in energy prices. Thus on Monday, a sharp crack in the price of gold sent reverberations through all the securities markets. But the overall mood is very positive and it has been encouraged this week by a stream of healthy-looking economic indicators.

For example, the Commerce Department is now suggesting that gross national product could rise at an annual rate of 4 per cent or more in real terms during the current three

months. Merrill Lynch thinks the rise could be nearer 6 per cent.

The strong rise in equities dates back almost exactly to the Opec meeting in Geneva over the weekend of January 22, when it became clear that the cartel was not going to be able to hold the line on oil prices. Since then, the price of gold has fallen by more than 860 an ounce and the price of the long bond has jumped by around 4 points. Yields at the long end of the Government Bond market have fallen from nearly 11 per cent to under 10, 10 per cent over the period and are now pushing down below the levels touched when bonds were at their strongest last autumn. There has been much less excitement at the short end of the debt markets.

The Dow Jones Industrial Average, meanwhile, has risen by more than 100 points in the six-week period and it now

stands roughly 45 per cent above the low point of last August. The market is probably selling on an historic price earnings ratio of over 12.

TBM, which was the market leader through the latter part of 1982, has not played anything

NEW YORK

RICHARD LAMBERT

like such a dominant role in the latest upswing. Instead, the gains have been very broadly spread—and have extended to some quite surprising sectors.

For instance, the big banks have done well despite the worries about their exposure to energy-backed loans. Chase Manhattan's price has jumped by over a third since the Opec meeting. Its involvement in Brazil, which should be helped by lower oil prices, is much

greater than its loans to Mexico, which is an obvious victim of Opec's troubles. BankAmerica's relative position is the other way around, and its shares have only risen by about a tenth over the period.

Some of the big oil companies have also shown good gains, especially in recent days. There are a few bears around, as you would expect. But one popular argument is that members of the Aramco partnership, which have been squeezed by the high price of Saudi crude, could be relatively better off as a result of the shake-out. Shares in Standard Oil of California, one of the Aramco companies, have usefully outperformed the Dow in recent weeks.

The one group about which just about everyone seems to be gloomy is the oil service sector. Earnings estimates are being pared back almost daily—for instance, Paine Webber has slashed its 1983 projection for Halliburton from \$4.70 to \$4.00 a share, and has also cut its 1983 target for Schlumberger to earnings of \$4.60 a share. Fore-

casts elsewhere on the Street go a good bit lower than that. The explanation is that another steep fall in the level of U.S. drilling activity now seems to be just about inevitable this year.

Back in the main stream of the bull market, investors are still gobbling up an enormous volume of new issues. It seems no time at all since American Telephone and Telegraph produced its last \$1bn plus equity offer, and this week it announced that it was coming back with yet another jumbo issue. Debt offerings could be a bit tricky pending the break-up of this giant corporation, and the idea seems to be to get as much equity in hand as possible before the split. In its present frame of mind, Wall Street is only too happy to oblige.

MONDAY	1112.62	- 8.32
TUESDAY	1130.71	+18.09
WEDNESDAY	1135.06	+4.35
THURSDAY	1138.06	+3.00

Southampton docks threat

BY OUR LABOUR STAFF

THE Transport and General Workers Union is threatening industrial action next week at the port of Southampton, the biggest dock owned by the newly denationalised Associated British Ports, because of a row with Esso Petroleum.

The dispute mainly involves tugmen and mooring and lashing gangs. Some of them have warned that the port may be brought to a standstill if Esso does not return a contract to supply launches at the nearby Fawley oil refinery to a Southampton company.

The tradition is for tug and launch services to be provided only by Southampton-based enterprises, but Esso recently awarded a contract to Marine Support and Towing of Convoys.

Warning by water workers

BY OUR LABOUR STAFF

WATER WORKERS in East Anglia—Britain's largest water authority—are threatening a resumption of industrial action over the alleged victimisation of strikers.

Officials of the National Union of Public Employees (NUPE) are claiming that three of their 2,500 members employed by the authority have been sacked; overtime has been withdrawn; holidays forfeited and private contractors used to repair burst mains.

Mr Eddie Bradin, NUPE divisional officer, said yesterday that managers had been taking "reprisals."

"The authority appears to be taking a deliberate policy of wishing to carry on a vendetta. We cannot allow this to continue."

The union has lodged a complaint with the authority warning that industrial action will resume if it fails to abide by the no-victimisation undertakings made at the settlement of last month's dispute.

The Anglia authority, which supplies water for consumers from the Humber to the Thames, has promised to investigate the allegations once it has received detailed information.

Record-breaking week for gold shares

MINING

GEORGE MILLING-STANLEY

THIS WEEK has been the most volatile ever in the history of the gold share market, with two quite long-established records being broken.

Monday saw the FT Gold Mines index plunge by no less than 62.8 points to 563.9, easily eclipsing the previous biggest one-day fall of 44 points in September 1981.

After a decline of that magnitude, most people were expecting a pause for breath as shareholders contemplated the havoc they had wrought, but by Wednesday the buying orders were flooding in and the index surged up 57.6 points to 621.7, topping the previous record one-day gain of 54.1 in September 1980.

If investors are going to carry on being so responsive to even relatively minor movements in

the bullion price and changes in sentiment, what the harassed analyst to make of it all?

It is hoped that things will become a little calmer soon, as at least some areas of uncertainty could be cleared up quite rapidly. This weekend's Australian election should help to resolve the difficulties of those investors who are wondering whether to concentrate their holdings there. In South Africa or in North America.

The steadiness of Australian mining share prices this week

as compared with South African stocks suggests that shareholders have already fully discounted a victory for Mr Bob Hawke's Australian Labor Party, as this column suggested they would a month or so ago.

The market has fallen quite sharply since early February, when Mr Malcolm Fraser made his surprise announcement of a general election.

Other things being equal, the market stands to gain from the resolution of the political turmoil, whoever wins the election. A Labor victory should produce no panic selling, while dealers expect prices to go through the roof should Mr Fraser's Liberal Government keep hold of the reins.

The precipitate fall in world oil prices and the consequent potential collapse of the Opec cartel have been the major causes of the recent flight from gold and gold shares as an investment.

Friday's announcement that the informal gathering of some of the representatives of the leading countries in the cartel in London had closed with a call for a full-scale meeting of all members in the same city on Monday may also restore some degree of stability to the markets.

This will be especially true if the meeting marks the restitution of Opec solidarity, heralding a return to higher oil prices.

This week's disarray in the gold share market meant that the interim dividends from Bracken, Kinross, Leslie, Unisel and Winkelsbaak in the Gencor group were largely ignored. The payments were in fact quite good, reflecting the behaviour of the gold price in the latter part of last year. Winkelsbaak boosted its interim from 155 cents (95p) to 136 cents, Unisel paid 50 cents against 45 cents, Leslie jumped from 12 cents last time

to 29 cents. Kinross from 62 cents to 78 cents and Bracken from 14 cents to 27 cents.

● This week's announcement of a proposed rights issue by Australia's Paranga Mining and Exploration raised some intriguing questions.

Paranga's statement said the company planned to raise A\$42m (£2.6m) by way of an underwritten rights issue of about two at 75 cents a share, with a total of 5.63m new shares being issued.

All fairly straightforward so far, but one or two shareholders were a trifle puzzled by the rest of the statement. This went on to say that Paranga's major shareholder, Apollo International Minerals, did not intend to take up its entitlement.

It does seem a bit odd that Apollo, which holds just over 80 per cent of Paranga's existing shares, should expect outsiders to put up all of the new money required to place Paranga, as the statement puts it, in a position to take advantage of opportunities which may arise in the near future.

In fact, Apollo simply does not have the kind of money Paranga is looking for. The company was comparatively unknown in London until the year before last, when the Gold Mining Areas was trying to take over Paranga, and Apollo stepped in with a higher offer and won the day.

But there is more to it than just the lack of funds. There seems to have been quite a bit of soul-searching in the Meppole Oil group, with which Apollo is linked.

Firstly, Paranga is a long-established mining and exploration concern, and as such is more widely known both in London and "Down Under." In addition, Paranga is the only one of the two companies with an income-producing asset. This is the Que River silver-lead-

zinc-copper-gold property in Tasmania, where its partner is Aberfoyle, controlled by Cominco of Canada.

Under Australian tax law, it is important to include both exploration expenditure and income from mineral production in the same company, in order to be able to offset the one against the other for tax purposes.

It seems likely, then, that the ultimate aim will be to use Paranga as the publicly-quoted hard-rock mineral arm of the Moonie Oil group, with a sizeable outside shareholding. The rights issue can be interpreted as a move in this direction, as it will reduce Apollo's holding in Paranga to a little under 60 per cent, as well as raising funds.

The next logical step would be to transfer Apollo's assets, particularly the exploration interests, to Paranga. Further developments are awaited with interest.

● Next Wednesday sees the publication of first-half results from Consolidated Gold Fields. The group has issued several warnings to the effect that profits will be lower than the £40.2m for the six months to December 31 1981.

Market attention has focused more on the fact that Gold Fields has made it known that it will announce the figures early in the day, arousing fears in some quarters that the results will be accompanied by the announcement of a rights issue.

It is of course not possible to come by hard information on the subject, but another possible explanation may be that Gold Fields management wants to give the market plenty of time to digest the figures, which are expected to be accompanied by a substantial provision against the value of the lost-making U.S. industrial interests.

Handwritten signature or mark at the bottom of the page.

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YOUR SAVINGS AND INVESTMENTS-1

A new angle on MIRAS by Eric Short

Mortgage choice dilemma

"How happy could I be with either were I other dear charmer away"

Beggar's Opera
"The more alternatives, the more difficult the choice"
Abbé d'Alainval

IT IS now less than four weeks to the changeover to MIRAS (Mortgage Interest Relief at Source), under which most borrowers will pay their mortgage interest net of basic rate tax to the bank or building society.

Last week we discussed which borrowers were affected by MIRAS and the implications for those borrowers. We discussed the alternatives to the repayment method of paying off a mortgage.

We pointed out that there were three alternative repayment systems for existing borrowers:
● The constant net payment, under which the net payment increases on changeover (though the amount paid to the building society falls) and remains at a fixed level for the outstanding mortgage term while interest and tax rates remain unchanged.
● The extended term payment where the net payment remains unaltered on changeover and stays at this level, but the mortgage term is extended.
● The gross rate payment which mirrors the present system under which net payments rise each year.

Only certain building societies offer all three alternatives, most only offer the first two. But with all societies the borrower will be put on the constant net payment method unless he elects otherwise. This does not apply to those societies which only offer the third method.

However, for borrowers using the repayment method, there is a further alternative—to switch to the endowment method of paying off the mortgage.

We have discussed the pros and cons of the two methods in these columns, but MIRAS, and the reaction of most building societies, has changed the parameters.

Most building societies are now including in their MIRAS literature to borrowers a letter pointing out that MIRAS has effectively made a low cost endowment mortgage significantly more attractive and that borrowers may wish to consider changing from a repayment method. How valid are these claims?

The endowment method is a fixed payment method, so now it can be compared directly with the constant net payment method. And on figures alone, the building societies' claim can be justified for many borrowers.

Table 1 shows a comparison of costs between the two methods for an existing mortgage. The figures speak for themselves. The example uses the premiums quoted by London Life, one of the most competitive life companies on the market, and incidentally one of the very few that does not pay commission.

The endowment method provides automatic life cover, so that the mortgage is repaid should the borrower die before the end of the mortgage term. So in making a comparison, the constant net payment should include the cost of a mortgage

protection policy to provide that life cover.

The low cost endowment also offers borrowers the prospect of a tax free lump sum remaining after the mortgage is repaid, arising because life companies use conservative bonus assumptions in their costings. So borrowers can select life companies on premiums, or on the overall return.

This is, however, just one specific example. Each borrower needs to compare figures for his particular situation. The minimum term for a life policy is 10 years. So the next consideration is the choice of life company.

There are around life companies marketing low cost endowments. Table 2 shows a selection of companies for this particular example showing the net monthly premium and the projected cash sum on current bonuses.

The choice is not an easy one, but there are three factors that need to be taken into consideration:

- The premium level.
- The overall return.
- The prospects for the life company.

Some borrowers need to contain payments so they will select a company quoting a lower premium. Others who can afford to pay more can select a company for the overall return.

Companies such as Standard Life, Scottish Amicable and Equitable and Law charge higher premiums, but offer the prospect of higher bonuses. Borrowers should remember that the quoted cash sums are in money values at the time of maturity and not present day values.

Many building societies, in their letters, tell borrowers that they have arranged schemes for switching with certain life companies on special terms (usually those companies with whom they arrange house insurance). Those special terms are usually no more than a handling of the administration by the society, and the waiving of the medical evidence requirement so that borrowers can obtain ordinary rates on the endowment whatever their state of health.

The medical facility is invaluable for borrowers in poor health, who should switch without a second thought, unless they already have mortgage protection cover. But as the table shows, most life companies will in any case offer ordinary rates if the borrower can satisfactorily answer one or two simple health questions.

Secondly, an insurance company with a good insurance record is not necessarily a "top life performer". The table includes most companies being recommended by building societies. It is interesting to note that the company on most building society panels, Legal and General, charges a rather high premium because of conservative bonus assumptions but offers the prospect of a large cash sum on its ordinary low cost. The company does market other schemes.

A registered insurance broker would give borrowers impartial advice on switching, recommending life companies for their performance and prospects, though not London Life or Equitable Life since those companies do not pay commission.

My local building society has linked with a local registered

insurance broker to provide switching advice and among the broker's recommendations are Standard Life, Friends Provident and Norwich Union. One hopes that other small societies, at least, are using local expertise.

Finally, borrowers need to remember two basic points in making their choice. If and when interest rates rise again, the borrower under the repayment method can keep payments unchanged and extend the term. With an endowment, he has to keep the term unchanged and pay the higher interest payments.

Moreover, the low cost endowment is flexible so that when the borrower changes houses and takes a fresh mortgage he can extend the term of his existing policy and take out a new policy for the additional mortgage without evidence of health.

But he could come under subtle pressure from a commission hungry agent to cancel his existing policy and take out a new one with another life company—pressure that may be hard to resist if the borrower wants the particular house.

TABLE 1
Man aged 39. Outstanding mortgage £15,000. Term to run 20 years
Constant net repayment
Gross interest 10½%

	£	10½%	10½%
Net monthly payment	117.99	Net monthly interest	89.69
Net premium mortgage protection policy (London Life)	3.12	Low cost endowment monthly premium (London Life)	27.64
Total monthly outlay	121.11	Total monthly outlay	117.33

* Many building societies charge an administration fee since London Life does not pay commission

TABLE 2
Low cost endowment man aged 39. Outstanding mortgage £15,000. Term to run 20 years
Projected cash surplus
Without terminal bonus
With terminal bonus

Company	Net monthly premium £	Without terminal bonus £	With terminal bonus £	Medical requirements	Approved Block Offer	Individual
London Life	27.64	3,162	8,820	Simple proposal	waived	simple
Friends Provident	28.30	3,188	9,421	waived	waived	simple
Yorkshire-General (non-smoker)	28.48	3,394	8,854	normal requirements	waived	normal
Equitable Life	28.64	2,703	4,686	waived	waived	normal
Eagle Star	29.03	3,567	8,377	waived	waived	normal
Norwich Union	29.03	2,988	7,823	waived	waived	normal
Standard Life	29.11	3,501	10,613	waived	waived	normal
Scottish Amicable	29.41	3,227	10,062	waived	waived	normal
Royal Life	29.54	6,161	7,746	waived	waived	normal
Clerical, Medical	29.56	3,044	7,480	simple proposal	waived	normal
Yorkshire-General (smoker)	29.75	3,394	8,654	waived	waived	normal
UKP	29.88	3,116	9,809	waived	waived	normal
Scottish Widows	30.18	3,170	8,257	simple proposal	waived	normal
GRE	31.65	1,911	4,300	waived	waived	normal
Sun Alliance	31.70	3,236	7,885	waived	waived	normal
Equity & Law	31.93	2,836	11,575	simple proposal	waived	normal
Legal & General	32.56	4,071	10,441	waived	waived	normal



New from Henderson.

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SPECIAL SITUATIONS

In this way our representatives in Tokyo and Hong Kong often identify attractive investment opportunities which may not lend themselves to inclusion in our mainstream investment funds. These special situations include smaller companies in new and emerging high-growth areas, undervalued asset situations, takeover possibilities and new issues. We recently introduced the new Henderson Japan Special Situations Trust specifically to provide a vehicle for investors seeking to participate in the growth of Japanese companies of this type.

The portfolio is managed by Henderson Baring Management Ltd. from the Far East, and initially is being invested in relatively few securities

concentrating on such areas as transport, mining, food distribution and sales, machinery and chemicals. The new trust is designed to complement the existing Henderson Japan Trust with its technological bias. Since its objective is above-average capital growth, the level of yield will be low—initially an estimated 0.09% pa gross.

APPROPRIATE TIMING

We believe there are a number of particularly sound reasons for investing in Japan today:
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* The Japanese economy is expected to grow at a much faster rate over the next few years than the UK or US.

* 85% of what Japan produces is sold to its huge and developing home market which gives a degree of insulation from world economic problems.

Investors are reminded, however, that the price of units and the income from them can go down as well as up.

FIXED PRICE OFFER

Until 11th March 1983, units in this new Trust may be purchased at the fixed offer price of 52.5p. You can invest simply by returning the application form below with your remittance, either direct or through your professional advisor.

ADDITIONAL INFORMATION

Should the unit offer price move by more than 2½% during the fixed price period the offer will be closed and units will be allocated at the price ruling on receipt of application.
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(If there are joint applicants each must sign and attach names and addresses separately.)

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First Name(s)
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Your money is invested in the M&G Bond Fund of your choice from the list in the application form. You can switch from one fund to another at any time, subject to a small fee (currently £10).

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	£12-£14	£15-£19	£20-£39	£40 upwards
Up to 35	110.5%	114.1%	117.6%	121.1%
36 to 40	109.4%	112.9%	116.4%	120.0%
41	107.0%	110.5%	114.1%	117.6%
45	102.3%	105.8%	109.4%	112.9%
55	95.2%	98.8%	102.3%	105.8%

NOTES: The percentages apply to both men and women, and assume acceptance of normal terms and tax relief at 15%. If the rate changes, the net amount you pay will change accordingly. Percentages for immediate ages fall between the figures shown and are available on request.

the unit price grew at an average annual rate of 10%, he could expect to receive £14,440 after 20 years for a total net outlay of £4,800. The unit price reflects the value of the assets held in the fund and will fluctuate accordingly. The plan provides immediate life cover of 15 times your gross annual premium (i.e. the amount you pay plus tax relief). The offered price of units includes a 5% initial charge. Your first two years' premiums are used to purchase "Capital" units for which there is an annual management charge of 5% thereafter. "Accumulation" units are purchased with an initial charge of only 4%. Although you can cash in your plan at any time after you have paid one year's premium you are recommended not to do so for at least four years, to avoid a forfeit of tax relief. Accumulation units are always encashed for their full value; there is a deduction from Capital units on early encashment which reduces to nil after 10 years, e.g. you would receive 66% of their value after two years, increasing by 4% for each subsequent year. Accumulation unit prices are reported daily in the Financial Times and Capital unit prices are available from M&G on request. You have no personal liability to tax on capital gains but higher-rate taxpayers are advised to continue payments for at least 10 years, for tax reasons. Tax payable by the Company on capital gains is reflected in the price of units. Actual rights as between policyholders and the Company will be governed solely by the terms of the policies and a specimen policy form is available on request.

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YOUR SAVINGS AND INVESTMENTS-2

Terry Garrett on a new Jersey-based Japanese investment fund How you can catch up on the rising yen

ARBUTHNOT LATHAM might have looked brighter had it launched a Yen fund five months ago rather than now. But the gift of hindsight is something we can all enjoy, its reliable foresight that comes less frequently, and Arbuthnot's new offshore fund is in plenty of time to catch the Yen before it runs out of puff.

Arbuthnot Securities (C.I.), the Jersey-based offshoot of the British bank, got its roadshow rolling this week to promote a new offshore vehicle, the Arbuthnot Yen Bond Fund, aimed at both UK and non-UK residents who fancy a double play on Japan's currency and its fixed interest market.

It will be an open-ended company operating in a similar way to unit trusts though with the obvious benefit of a tax haven for a home. In a few months it hopes to get a stock market quote.

The investment aim is to hold Yen-denominated, fixed-interest or convertible stocks. Primarily, and initially, Arbuthnot will be buying Samurai Bonds. These rather exotic-sounding invest-

ments are Japan's equivalent of Britain's Bulldogs or U.S.'s Yankees.

Samurais are issued by non-Japanese institutions such as international organisations, foreign governments and major corporations. The World Bank and Australia are among the big issuers of paper in the Samurai market and last year groups such as Dow Chemical and Procter and Gamble raised money.

For non-Japanese investors the attraction of being free of Japan withholding taxes and after bite income of the fund will be distributed gross to shareholders each quarter.

Arbuthnot, with the help of its investment adviser Cazenove and Nomura International, will also participate in other tax-free investments such as Euro-Yen bonds, a market still in its infancy. The Gensaki market which is made up of short-term Japanese Government and other bonds and Euro-Yen deposits.

The fund managers hope for a yield of 6 per cent and to beef up capital appreciation convertible stocks may also be



bought, although the fund will not hold on to switch into Japanese equities. Arbuthnot may have missed its chance to get into Japan when the Yen was weak a few months back but even so the pundits virtually to a man, are bullish about the medium-term outlook for the currency.

Although Japan's economy has been hit for the first time in nearly a decade by slack demand both at home and overseas prospects for 1982 are brighter and a weakening of the oil price can only be good news for industry's energy costs. The Yen's rise against sterling may have stalled but there seems precious little to prevent it soon resuming its climb.

While everyone seems to agree about the outlook for the currency not all share Arbuthnot's enthusiasm for Samurai

bonds. Arbuthnot argues that interest rates are likely to fall and indeed the Japanese bond market is hoping for a cut in the discount rate later this month. But then it was looking for one in February only to be disappointed.

More specifically the Samurai market is not the easiest to deal in and at least one major Japanese investment house thinks that technical factors will inhibit Samurai prices in the near term. Evidently most active buyers of Samurais have a pretty full book at present and a number of new issues are in the pipe-line.

Still any imbalance should only have a temporary impact in putting a brake on bond prices and arguably could be good news for Arbuthnot as it establishes its portfolio. Also there is evidence that domestic investors are redirecting their cash towards their own bond market and foreign buyers seem to be stepping forward in increasing numbers. So the demand seems to be there to counterbalance any rise in the amount of Samurai paper hitting the market.

Arbuthnot's Yen Fund could appeal to those investors wanting to direct a small slice into Yen securities — perhaps more on the back of currency hopes than anything else — and still achieve a reasonable income return which the Samurais can provide.

A minimum investment of £500 keeps the fund within the reach of modest sized private portfolios and in the initial subscription period to March 25 the front-end charge is one point lower at 4 per cent. Management charges run at 1.5 per cent every three months.

The Fund is hardly geared towards mass appeal but there is a modest resurgence of interest in Japanese bonds. Save and Prosper, which launched its S and P Yen Bond Fund (also offshore) in 1979, admits that initial interest was scant but just recently more money has been attracted.

And an investor who got into that fund at the start could have seen a sterling appreciation in his investment of over 90 per cent so far. History can, and often does, repeat itself, only the timing is far from certain.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Swapping shares with son

I refer to the article "A Weekend Break before the Budget" by Clive Wolman (February 5 1983) and the high cost of the transaction he describes of about 5 per cent in all against just 2 per cent under the previous practice of bed and breakfasting within an account.

As my son and I previously independently held and breakfasted shares in our own portfolios, I am suggesting that a mutual exchange of shares be made between us at the middle market price shown in the FT independently without the intermediary of a stockbroker, thus limiting the cost of the transaction to the 2 per cent stamp duty payable. The shares would of course be in different companies.

Presumably these transactions would be effected by the simple completion of a transfer form, on which would be endorsed the stamp duty, and then mailing with share certificates to the Company Registrar. Do you agree that this is a

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

valid method to achieve the same end positions of Bed and Breakfast, and higher base values; and what are the mechanics of effecting such a transfer, and establishing the price and date of transfer to the satisfaction of the Inland Revenue?

A further object of the exercise is to transfer a larger amount to my son to take advantage of the annual exemption on gifts for CTT purposes.

Sales between father and (adult) son are indeed an effective method of establishing chargeable gains (but not losses), as are gifts. For CGT purposes, the disposal will be deemed to have taken place at the quarter-up price (or at the middle of the marks, if that gives a lower figure, so the deemed CGT price cannot be known when the sale contract is made (except perhaps if the Stock Exchange is closed on the day of the sale).

An exchange of letters should set out the terms of each bargain between you, and transfer documents should be executed at the same time, if conveniently possible.

VAT and building work

I was interested to read the reply under VAT and Building work to the query about VAT in relation to roof felting (January 29).

I have just had the identical job done and when I enquired of the VAT people I was told that the builder was quite correct to charge VAT for the felting.

It was pointed out to me that if the sole purpose of the work was to put insulated felt on the roof which was not there before, it would be zero-rated, but as the roof needed repairing, the felting was deemed to be and therefore VAT was chargeable. I pointed out that it was unlikely that I would have all the slates removed and the battens smashed up and renewed just to

put felt under the slates.

The whole business seems ludicrous to me. I still feel that your verdict that the felting should be zero-rated is correct but what can one do about it if the VAT people disagree?

If you wish to pursue an argument with the Customs and Excise regarding VAT you can take an appeal to a Value Added Tax Tribunal. Your local VAT office will give you an explanatory leaflet which describes the procedure. The Tribunal is independent of the Customs and Excise.

With regard to zero rating in respect of alterations to property the law is to say the least unclear. We would not like to say what your chances of winning your point at the Tribunal would be.

Grids, gates and a right of way

I own freehold agricultural land in Sussex which has a tenant farmer. A right of way runs along one edge of the land, and a neighbour has installed two cattle grids and gates just inside my land without my permission or that of the tenant farmer. Could you please advise me as to my legal position?

The grids and gates are trespasses on your land and you would be entitled to remove them or to obtain an injunction requiring their removal. This may, however, be negated if the person responsible for installing the grids and gates is a dominant owner entitled to use the right of way — at least so far as the grids are concerned: since the dominant owner is entitled to enter and make up the physical surface of the way.

A student's maintenance

Under A Student's Maintenance (November 29th 1982) you answered a reader's enquiry about Student Maintenance and the right to Social Security. Could you please enlarge on this? Is there any way in which this problem can be avoided apart from cancelling the Covenant and starting again? And could you please indicate the form of words in a fresh covenant that would eliminate the problem?

You may need to cancel your covenant and start again. It is important to have the payment dates under the covenant such that it can be seen to provide maintenance during term time only, eg. 1 October, 2 January and 1 April in each year. You will find a useful and comprehensive guide in "Which" magazine for September 1982 at pages 578-522 with a sample deed set out.

Expenses and part time work

I am employed in local government with a salary of £16,000. I work for examination boards as an examiner. This year I have been elected a director of our local co-operative society. Directors fees are £250 per annum. I am reimbursed the cost of travel to board meetings (weekly) at about 15p per mile and I live some 25 miles from head office. Tax is deducted at source from these fees and expenses.

(a) What expenses can I claim in connection with my duties as a director? No one in their right mind could suggest that one puts in such time and effort for the money. Can I claim the cost of petrol to attend meetings of the board? (b) Do you think that the Inland Revenue would accept the income from examination fees and directors fees being used to provide a "self-employed" pension?

(a) First Question—None, probably. Second Question—No, as you will see from concessions A4 (Directors' travelling expenses) in booklet IRI (Extrastatutory concessions), which is obtainable from most tax inspectors' offices.

(b) Yes, for the director's fees, and possibly for the examiner's fees (if they have been assessed under case II, but not if they have been assessed under case VI).

B & B and gifts to daughter

I sold shares which show a profit of over £10,000. I intend to make most use of the £5,000 Capital Gains Tax exemption by "Bed and Breakfasting" for myself a gain of £5,000. I—Can I also transfer some of the shares to my daughter (aged 24 years) in say March 1983 and allow her to "Bed and

Breakfast" the shares to claim a tax-free Capital Gains of £5,000 also in say April 1983? I understand it involves "Roll-Over Relief."

2—Will you also inform me of the latest conditions of "Bed and Breakfast" transactions as I believe they were modified in the last Budget?

1—Yes (but allow time for completion of the formalities and bear in mind that April 1 is Good Friday). You and your daughter must jointly elect for roll-over relief.

2—Your broker will be able to make suitable arrangements, if you do not leave things to the last minute. There is more than one way of avoiding identification under section 88 (4) (b) of the Finance Act 1982.

Unit trust and B & B

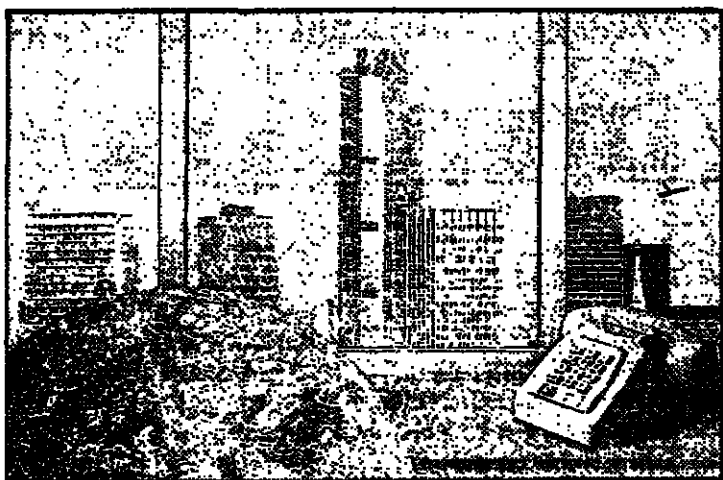
In your reply about Bed and Breakfast transactions on January 22, you stated the position with regard to the sale and immediate re-purchase of shares. Is it possible, please, to do the same for unit trusts? Yes: your stockbroker should be able to make arrangements under Rule 163. Whether the expense is worthwhile must be a question for your personal judgment.

Proceedings for possession

My wife and I jointly own our property, but we have a lodger who occupies a spare room. We would like the use of the room sometime in the future. Should a problem arise, can I obtain an eviction notice myself, as my wife would not wish to get involved in any legal action?

If you were to take proceedings for possession of the room it would be necessary for that to be done in the joint names of you and your wife, since you must have been joint lessors. However, your wife need not take any active part in the proceedings. You should not assume that you would necessarily be able to recover possession, as it is likely that the lodger is a tenant whose tenancy is protected under the Rent Act 1977.

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YOUR SAVINGS AND INVESTMENTS-3

Alan Friedman looks at the latest Barclays account

High interest with snags

THE High Street battle for the hearts and minds (and deposits) of the British saver moved along this week with an announcement from Barclays Bank more than two years after Lloyds Bank introduced its Cashflow interest-bearing current account, that it too would offer such an account.

Barclays becomes the third of the Big Four clearers to come up with the idea, after Midland's Save and Borrow account last September. Barclays calls its version "Cashplan" and is offering its current account customers the chance to earn 6½ per cent interest (gross) on credit balances.

This compares with Lloyds's 5 per cent and Midland's 6½ per cent, and incidentally, with a range of 4 to 6½ per cent (net), depending on the size of the balance, paid by Abbey National on the new cheque-saver account it launched on Tuesday.

Miles inside Barclays Bank confirmed this week that the timing of its launch of Cashplan, also on Tuesday, was no coincidence. Mr John Fry, general manager of marketing at Abbey National, said: "I don't think it was incidental."

What is Barclays offering? The 6½ per cent interest may sound attractive at first, but customers who use Cashplan will face a swingeing 40p per cheque charge and 20p on each direct debit.

In addition, the save-and-loan programme requires Cashplan customers to transfer at



least £10 per month from their normal current accounts. They may agree a monthly credit line of up to £3,000, for which they will have to pay interest of 13½ per cent, a true annual rate of 19½ per cent.

This compares with an interest charge of 3 to 4 per cent over base rate for normal current account overdrafts, or around 14 to 15 per cent.

Ron Dawes, Barclays' marketing manager, says the bank has built an account which has everything in it. But he agrees the whole concept of such interest-bearing current accounts was designed in part by the banks to answer criticism that they have refused to pay interest on current account balances so far. He also admits that Cashplan is not for everyone.

Mr Dawes agrees that the relatively high cost of cheques and debits for Cashplan customers means it is really most attractive to customers who do

not plan to write many cheques. The standard Barclays cheque charge is 25p for normal current accounts and not 40p. And Barclays current account holders with a minimum £100 balance don't pay a penny for cheques.

One of Mr Dawes' strongest arguments in favour of Cashplan appears to be that there are "people who prefer loans at the point of sale without dealing with bank managers, referring to those borrowers who are embarrassed to enter what he calls "the inner sanctum."

But if a customer is a good enough risk to obtain a £3,000 overdraft (at 18½ per cent) through Cashplan, is the same customer not worthy of an agreed overdraft through his normal current account (presumably at a lower rate)? Yes, says Mr Dawes, but "it is up to each customer to decide what his needs are."

Barclays is by no means the only bank to attempt to lure interest-hungry customers with an account which, if not meticulously managed, could prove costly to operate. Both Lloyds and Midland accounts run along similar lines. And NatWest is still working out what it wants to do and has no such account.

These interest-bearing current accounts can be extremely useful to customers who know how to run them properly. But at first glance the interest carrot seems disproportionately larger than the customer-charges stick.

Options from WestAvon

INVESTORS KEEN to join in the action on the U.S. traded options markets but unsure of how to go about it can now gain entry by means of a Guernsey-based unit trust.

WestAvon Securities, a licensed security dealer with offices in Bristol, this week launched its Guernsey U.S. Dollar Option Fund.

Units in the new fund have gone on sale in an initial offer until March 1. The minimum subscription is 5,000 \$1 units although applications sent in before the closing date will be charged at a special discount price of \$0.98 each.

WestAvon director John Funnell hopes the new fund will attract \$5m worth of funds within a fairly short time. WestAvon's first venture into options-related unit trusts, the Guernsey Gilt and Option Fund, has done quite well since it was launched last September. With an initial target of £500,000 it has now attracted £580,000 worth of funds.

The first fund, which invested in gilts and then used them as collateral for its forays onto the London traded options market, was something of a try-out for WestAvon, which was keen to gain experience in setting up the organisation to handle such a venture.

With the London fund now operating smoothly WestAvon wants to attack the far larger U.S. markets. London trades options in only 18 stocks and has still a long way to go before it can achieve anything like satisfactory volumes.

In the U.S. more than 360 options are available on the Chicago, American, Philadelphia and Pacific exchanges and the option concept is well established.

WestAvon's new U.S. fund



Chicago: things move but the options market is well established

aims, like the London trust, to produce capital growth. It will use two strategies to achieve this end.

Firstly, the fund will buy stock in the market and then "write," or sell, a corresponding number of "call" options for which a cash premium is received. High commissions and

If the value of the stock declines, the call option will expire unexercised. The fund remains the holder of the depreciated stock, but has earned some income in the form of the option premium.

If the buyer of the option decides to exercise it and "calls away" the stock, the proceeds, to WestAvon, should still provide a suitable rate of return on the total funds invested, the company believes.

Secondly, WestAvon will buy U.S. Treasury bills and "write," or sell, "put" options, against the collateral of the bills, for cash premiums. The premiums should provide the fund with predetermined rates of return on the money invested. The risk remains that the fund may have to take up the stock and the Treasury Bills would then be sold to finance this.

The new dollar unit trust is a "purer" option fund than the London venture in that stocks will only be bought when a call option can be written against them. In London "put" options are only written when the rather restricted market conditions allow.

The risk inherent in the operation is that the fund will be obliged to take delivery of the underlying stocks if it gets its assessment of the market wrong.

In London to date WestAvon has written about 50 "put" positions and been required to take up stock three or four times. The fund is currently carrying two shareholdings worth £39,200 out of invested funds of £580,000.

WestAvon, founded ten years ago by Funnell to provide a "one-stop" package of financial services, has been the first UK group to go in for option-related trusts.

In spite of speculative associations of traded options it has promoted its two trusts as conservative investments.

Its London options trust, with a current unit price of 103p has performed well relative to other purely gilt-oriented offshore funds during its very short life.

It remains to be seen though if WestAvon can be as successful in the far more sophisticated U.S. traded options markets. Investors really keen to have a go at options might also ask if this fund's conservative approach appeals to them.

The alternative is to opt for a more conventional dollar fund for most of your money and put a small part of your funds directly into options.

Charles Batchelor

CGT: the way to easy breaks

STOCKBROKERS have dreamed up a cheaper method for Stock Exchange investors to crystallise their profits or losses on shares for capital gains tax purposes without having to take a "weekend break."

Towards the end of previous fiscal years on April 5, investors could sell shares late one afternoon and buy them back the next morning. They would be charged only one set of commission by their brokers, pay a smaller jobber's turn on the two transactions and would avoid any liability to stamp duty.

But the crucial section 88(4) of the 1982 Finance Act, which was introduced as part of the new rules for indexing capital gains, struck down those transactions where the shares sold could be identified with those bought back again. If, however, the re-acquisition was made after a weekend in which a new Stock Exchange account began, there would be no identification. However investors would then have to pay stamp duty and two lots of commission for taking this "weekend break."

An alternative method for avoiding the identification rules was thought out by Mr Bernard Litovitz of stockbrokers Simon and Coates. This involves physical delivery and payment for cash for the shares rather than settling at the end of the account period. The investor still has to pay stamp duty with this method and he is out to more inconvenience. But at least he avoids the second set of commission.

The Inland Revenue has given qualified approval to the method, provided that Mr Litovitz's procedure is followed precisely, and the Stock Exchange committee last week re-interpreted its rules to permit only one commission to be charged.

The shares should be sold, as before, late one afternoon. But

in advance of this, the investor should give his share certificate and transfer form to his broker so that he can physically deliver the certificate to the market and ultimately, to the buyer. Normally he will do this one week later, to give the jobber a chance to check the administrative details.

On the morning after the sale, the shares are re-purchased but once again delivery is delayed until a week later.

One unresolved question is whether the jobber can charge a smaller turn on the two transactions without incurring the wrath of the taxman. According to Mr Litovitz: "The book shouldn't have to say anything explicitly to the jobber—that he is doing a cash settlement, and give him a wink."

To be on the safe side, consider asking your broker to send you a letter saying that the shares have been purchased for cash in accordance with your instructions.

The introduction of indexation has made it more complicated to calculate circumstances in which the new style bed-and-breakfast should be used to take maximum advantage of the 50p CGT exemption. In particular, beware of selling and buying back a share that has fallen value to crystallise the loss. Subsequent indexation to the Retail Price Index will set against the lower re-purchase price.

As mentioned on these pages four weeks ago, it is also possible to use profits or losses on commodity transactions to increase or offset those on your share-dealings.

But this applies only if a tax inspector is willing to treat commodity profits as capital gains rather than as income and this in turn depends on highly technical interpretation of tax law.

Clive Wolme

Bonanza for the workers

COME November 1985 about 1,700 or so shrewd employees of B.A.T. Industries will have a chance to buy shares in their company at 243p. Assuming, of course, that the B.A.T. share price continues to trade at or above its current level of 855p—it has been as high as 740p in the last 12 months—these lucky people will be sitting on a hefty and, what's more, immediately realisable capital gain.

Even if things go wrong—and for some unforeseen reason the shares crash—the Government will still pay the investors a guaranteed annual tax free return of 10½ per cent on money they are currently saving up.

The reason is an Inland Revenue approved share option scheme set up by BAT's in November 1980 under the provisions of the Finance Act of that year. A total of 200 UK companies have now taken advantage of the arrangements with a further 49 awaiting Revenue clearance. Roughly 100,000 UK employees are believed to be involved but the point is that others are missing out.

While the current stock market strength has highlighted the potential gains to be made from equity investment, the fact that interest rates generally have made the savings contract linked to the Share Option scheme—the Save As

You Earn 4th issue—even more attractive than before.

Take a look, for example, at other savings certificates. Currently available from the Department of National Savings is the Second Index-linked issue or the 25th issue of National Savings certificates giving an annual 7.51 per cent tax free over five years. Yet the SAYE 4th issue still yields a juicy 10.43 per cent tax free over the same period. The rates were set when interest rates generally were much higher and have never been altered.

In a nutshell share option schemes give employees the right to buy shares at a predetermined price from the proceeds of either the SAYE fourth issue or an equivalent building society "Sharesave" scheme. The option price must not be less than 90 per cent of the market value at the outset of the savings period. But no income tax is paid at the time of purchase with capital gains tax the only liability when the shares are ultimately sold.

The most appealing feature of the scheme is that individuals do not have to exercise the options if the share price falls. They can, however, take the proceeds of the completed SAYE contract with its currently generous looking return. Heads you win, tails you certainly don't lose unless inflation

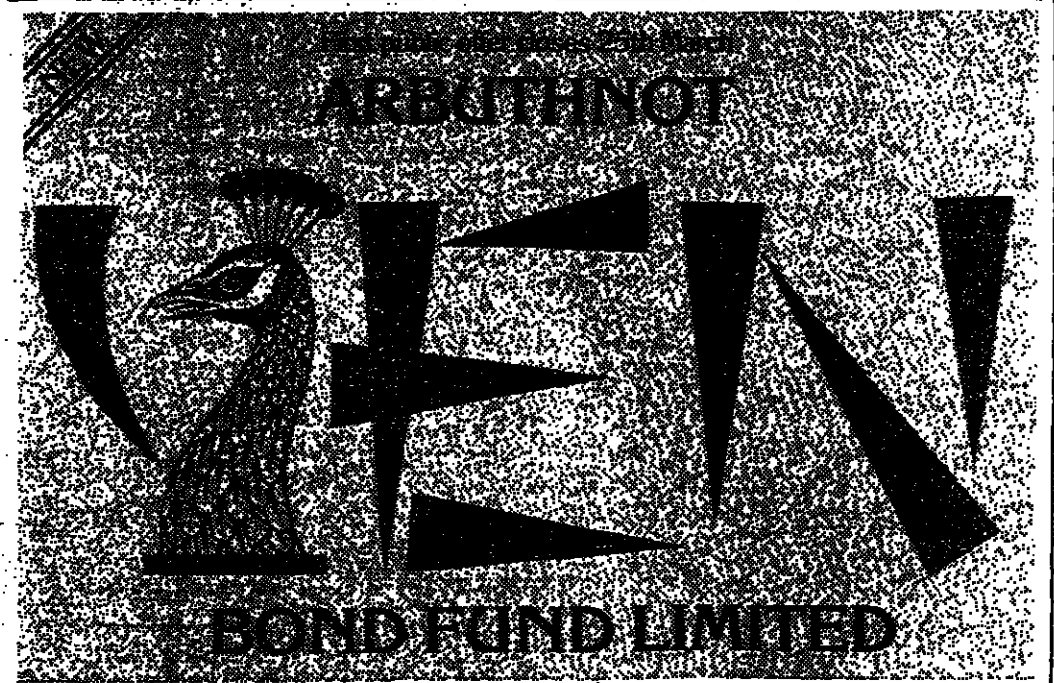
rockets back up over 10 per cent.

Interest in share option schemes has certainly picked up in the last 12 months but such schemes are still not as widely used as the profit sharing provisions introduced in 1978. Under these arrangements there is no requirement for employees to save though there are other conditions.

This commitment to save is often cited as a reason for the slower take off of share option schemes. Under the 4th issue individuals have to make monthly contributions—starting when the option is granted—so that money builds up to pay for the shares. At the end of five years they can take the 60 monthly payments plus a bonus equal to 18 extra monthly payments (the equivalent of 10.43 per cent per annum tax free). Alternatively they can continue the payments to year seven and take a bonus equal to 36 monthly payments. This is equivalent to 10.64 per cent per annum free of all taxes.

Turner and Newall employees are among those who may be grateful for this return. With the company's share price currently languishing at 28p there is a lot of ground to make up before the £1.30 option price which 700 of them were granted in May last year, starts to look enticing.

Tim Dickson



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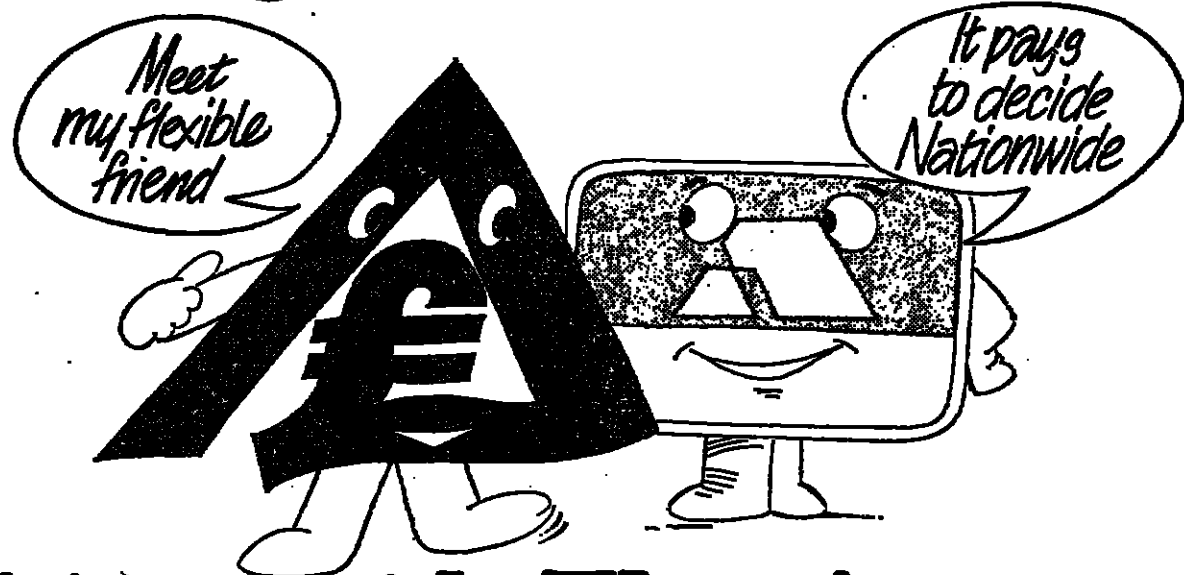
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BY JUNE FIELD

WITH ALL the technology that is around and on its way in the home—closed circuit television, computer controls, temperature and humidity sensors, are tomorrow's houses really going to give us what we want and need?

In Arizona, architect Charles Schindler's "House of the Future" claims a "human" touch by greeting the family by name as they come in the door (via a code on a touch-pad), and a computer will remind them of their appointments for the day.

Nearer home, the Milton Keynes Information Technology House at Great Linford, Buckinghamshire (open until April 4), has a computerised workstation to store household accounts, recipes, shopping lists, freezer and larger inventories—no more searching for the sugar, tuna or cornflakes. You can also go in for armchair shopping, home banking, get burglar and fire alarm warnings, and have that most essential service, electric and gas meter reading, carried out by remote control.

And a delightful little robot animal, a Turtle, a dome-shaped push-along toy programmed in the Logo language, will keep the kids quiet for hours. Feed it with a particular pattern or shape and thereafter on the command of, say, "square," it will draw one.

But should I always rely on technology to draw the curtains, switch on the television set and run my bath? Or have the headboard of my bed full up with what is called "entertainment equipment" which gets in the way of the pillows? By all means give me a television aerial socket in the bedroom, something so often considered

an unnecessary luxury by builders of middle-market homes. And of course micro-electronics are a boon to the disabled, enabling those with restricted movements to cope with the basics of everyday living.

Lord Campbell, chairman of Milton Keynes Development Corporation made a pertinent observation at a Royal Society of Arts lecture last year by David Farnberg, managing director EOSYS, acronym for Electronics Office Systems. Lord Campbell said that he still remained to be convinced that information technology will be the friend of all sorts and conditions of men, and that it will not make men its servants rather than the other way round.

Before we get too brain-washed by technology (what happens to the wonder-world when there is a power cut?), I think we should consider some of the more banal details of comfort and convenience. For instance, such as making sure that in family homes with only one bathroom, builders provide a separate lavatory unit.

And architects and designers have got so swept away by the idea of fully-equipped kitchens, fitted units and worktops, that in many of the kitchens in quite highly-priced homes I have seen recently, there is nowhere to sit down. No, not necessarily to eat, as separate dining-rooms are back in fashion, but to prepare the food that is not suitable for the automaton's touch, to read a recipe, or just take the weight off one's feet. And there is not always proper space to drain the dishes that are not suitable for the washing machine. Oh,

California-style "Oakridge," 4 bedroom, 3 bathroom detached house which is being featured in an adapted version for the British market at the Ideal Home Exhibition which opens at Earl's Court on Tuesday until April 4.

for the ubiquitous plate-rack of the past!

Then there is the utility-room, helpful extra space now often provided to accommodate washing machines and tumble drier. But please let us have a little sink as well so that we do not have to hang our smalls in the bathroom(s).

While at the front door, why is there so often a glass panel to nullify security? And what about some more storage space, perhaps in the garage. I could go on, but already I can hear the builders cry that anything that is different from the usual adds to the cost.

A significant step forward is that the Institute of Housing and the Royal Institute of British Architects have launched Homes for the future, a new set of standards based on those of Sir Parker Morris which were abandoned last year.

In the last 20 years since the publication of the Parker Morris Report *Homes for Today and Tomorrow*, the housing scene has obviously changed dramatically. For instance, the present standards of sound insulation required by building regulations are considered to be inadequate, bearing in mind what is referred to as the high ownership of audio equipment.

A variety of items are touched upon, from the provision of drying cupboards, where there is no external clothes drying facility, to easy-to-clean windows, and the size of a bedroom (it should be of a shape that will accommodate a bed in more than one position), plus orientation—"each dwelling should ideally offer a choice of both 'active' and 'passive' views." (The publication is £7.50 plus 75p postage from Tom Blackburn, RIBA, 66, Portland Place, W1, or Bill Randall, Institute of Housing, 12, Upper Belgrave Street, SW1.)

Wimpey Homes' complex of four showhomes at the Daily Mail Ideal Home Exhibition which opens at Earl's Court on Tuesday until April 4.

BRIDGE

E. P. C. COTTER

HERE ARE two hands from teams-of-four matches, which contain several points of interest. Look first at this:

N
♠ 5 4 3 2
♥ 10 4 3
♦ Q 10 8
♣ J 10 7 6

E
♠ 7 2
♥ 9 5
♦ A 5 7 6 3
♣ K 7 5 3

S
♠ A K Q
♥ A 8 4
♦ K Q J
♣ A J 9 6

With North-South vulnerable, South, surveying his 24 points, was surprised to hear East, the dealer open the bidding with one heart. He has only 8 points, but he has two five-card suits, and at the favourable vulnerability it is good tactics to strike the first blow.

South doubled, and North said one trump. A response of one no trump is not recommended on weak hands, but perhaps a this occasion one no trump is preferable to a spade on such an anaemic suit. Played by North, three no trumps is impregnable. But perhaps this is hindsight. As it was, South shut his eyes and bid three no trumps.

West led the heart seven, and East's ten lost to the Ace. The declarer then led the diamond Queen, which was allowed to win, and followed with the six of clubs to dummy's Queen. To his surprise it held the trick. He returned a low diamond, and won in hand with his King. West dropping the nine, the picture began to take shape. East must have opened on 10 or 11 red cards. The three top spades were cashed, and East threw one club and one heart.

The endplay was marked. Cashing the Ace of clubs, South threw the lead with the diamond Knave. East made three diamonds and the heart King, but then had to let dummy score the heart Queen for the

29 R-N4, B-B1; 30 R(N4)-Q4, P-N5; 31 B-R4, B-K2; 32 P-B5, B-B3; 33 R-B3, R-N4; 34 R-QB4, R-B3; 35 R(N4)-Q4, R-B2; 36 R-K4, R-Q2; 37 K-Q3.

Karpov has made the most of his extra space, and now prepares to guard both his pawns then attack the white NP. Black could keep both rooks attacking white pawns by K-B2, but prefers an active plan.

37... R-K2; 38 R(K4)-Q4(1P) KxP; 39 R-K4 ch; 40 R-B4 ch; 41 R-N4 ch; 42... R-K2; 43 R(B4)-B4 ch; 44 R-K3; 45 R-NP is hard for Black.

42... R-KNP; 43 R-QB1! Resigns. 44 R-KR1 mate follows.

Opinion at Linare's was that Black should not have advanced his king, but what happens after 40... K-K3? Seeing no obvious line I asked my Linare's correspondent for the world champion's verdict. His enigmatic reply came back: "The sacrifice was correct, it is necessary to work out the exact move after K-K3 which gives an easy win, and you have to find this yourself."

What should White play? 41 R-N4, P-B4; 42 R-N6 ch; 43 R-Q4 ch; 44 R-B4 (aiming for zugzwang or doubled rooks on the sixth) is countered by R-K6 or R-K4. Eventually I found 41 R(Q4)-K4 ch; 42 R-Q2; 43 R-B4 when Black, though a pawn ahead, still has problems due to the threat R-KN4 keeping the KNP under attack.

But meanwhile my main Linare's had approached the loser Larsen. "Of course K-K3 was right, it's an easy draw, Karpov was having you on," opined the Dane. So who was right?

In last week's game Black's eighth move should read N-B3 and White's ninth Q-K2.

CHESS

LEONARD BARDEN

WHEN Boris Spassky lost his world title to Bobby Fischer in Reykjavik 2 years ago, it meant both personal and political trauma for the loser. Soviet chess authorities blamed him for defeat and for allowing Fischer to arrive late at the match. Spassky was barred from travel to individual tournaments in the West for nearly two years, while officials preferred Karpov as the rising star.

The ex-champion still had sufficient status to lead his own life in a way allowed few Soviet citizens. He married a French woman diplomat and settled near Paris, still with a USSR passport and able to play for the Russian team. Korchnoi called him a "one-legged dissident." Spassky's chess ambitions were limited by Karpov's score of around 10-2 in wins from their individual encounters and by the new champion's many tournament successes. When they met last year in the final round of the Phillips and Drew Kings in London, Spassky's tension showed. He got a won game but blundered into a simple trap which gave Karpov first prize.

Last week, unexpectedly, Spassky at last got revenge when he won the £20,000 Linare's international, the strongest tournament ever held in Spain, half a point ahead of Karpov, Ulf Andersson of Sweden was the top Western grandmaster, but Tony Miles, the British champion, also had a notable result, among the elite when he tied for fourth.

Scores were Spassky (USSR) 6; out of 10, Karpov (USSR) and Andersson (Sweden) 5; Miles (England), Sax (Hungary) and Yusupov (USSR) 5; Geller (USSR), Hort (Czech) and Timman (Holland) 3; Seirawan (U.S.) 3, Larsen (Denmark) 2.

So, a dent in Karpov's first prize record against super-GMs. Arguably the real Linare's victor is the champion's young rival Karpov who will now be only ten points or so behind in the world ratings. Karpov at Linare's scored only one real win, the brilliancy against Sax given here last week. His second full point, sparked off by a blunder from the tournament tail-enders, contains an inner mystery.

White: A. Karpov (USSR).
Black: B. Larsen (Denmark).
Caru-Kann Defence (Linare's 1983).

1 P-K4, P-QB3; 2 P-Q4, P-Q4; 3 N-Q2, Pxp; 4 Nxp, B-B4; 5 N-N3, B-N3; 6 P-KR4, P-KR3; 7 N-B3, N-Q2; 8 P-R5, B-R2; 9 B-Q3, BxR; 10 QxR, P-Q3; 11 B-B4, KN-B3; 12 Q-O-O, B-K2; 13 K-N1, P-QB4; 14 N-K4, N-N1; 15 Q-N1, P-R5.

The opening list here represents current grandmaster debate, including another Karpov v. Larsen game at Linare's 1981. Black's last improves on N-B3 and leaves White only a small edge.

16 N-K5, P-R6; 17 P-QN3, N-N1; 18 P-N1, Q-R4; 19 B-Q2, Q-B2; 20 P-KB4, O-O; 21 P-B5, P-R4; 22 QxR, Q-B1; 23 QxQ, R-R4; 24 P-B4, P-QN4; 25 K-B2, K-B1; 26 R-R4, R-K1; 27 R-B4, R-R2; 28 B-K1, R-N2;

POSITION No 463

BLACK (11 min)

WHITE (11 min)

J. Plaskett v P. Taylor, City of London Open 1983. Both sides have attacking chances, while Black (to move) has to salvage his threatened queen. How should the game go?

PROBLEM No 463

BLACK (5 min)

WHITE (5 min)

White mates in two moves, against any defence (by C. Mansfield, Schack 1990, 1st prize).

Solutions Page 12

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السلامة للجميع

LEISURE

Multi-culture shock in Cyprus

TRAVEL

ALAN FORREST

THE BRITISH arrived in Cyprus back in 1191 when Richard Lionheart's fleet was wrecked off the island. Our influence still survives in lots of ways—Cyprus's unit of currency is the pound (worth £128 actually), there are three British bases, a cup of tea is about the best I've tasted outside England, they drive on the left side of the road, and you can watch Coronation Street with Greek subtitles in your hotel television lounge.

I hadn't visited the island since the late 1940s, but on my recent visit I was immediately again delighted by that unmistakable mixture of Britain with the Middle East and Byzantium. A few hundred yards from the ruins of a Roman temple you're quite likely to see a tiny building announcing: "Get your Littlewood's Pools changed here."

Of course, you can't escape politics, and if you are the kind of person who wants to forget reality on holiday, Cyprus is probably not for you. Nobody can drive along the island's roads without being reminded of the Greek-Turkish confrontation—the struggle of pathetic refugees, Cypriot soldiers "on exercise" and the "frontier posts."

But it is the political situation that has inspired much of the new holiday development in the Greek zone of the island. The former jewels, Kyrenia and Pafos, are now in the Turkish zone, virtually empty of tourists, and the Greek Cypriots are building new hotels and apartment blocks with an enterprise that makes one feel tired on an island where the temperature in high summer pushes 100 deg. F.

Enterprising, but in some ways rather sad. The new hotels we visited were very comfortable inside, service cheerful and efficient, but outside they looked like just another new chunk of the New Barbarism. I would be sorry if Cyprus in a few years time with its noble hills, spacious green plains and lovely Byzantine buildings begins to look like another Torremolinos.



The marina at Larnaca

So, you may well ask, why go and seafood (you keep the same plate). We sampled one in Pafos—it was a fish meze and included squid, octopus, bream, red mullet, large shrimps with salad and mushrooms, wine and Turkish coffee (for diplomatic reasons, no order Greek coffee) and worked out about £6 a head.

Olympic Holidays is one of the major forces in the development of the Greek zone of Cyprus. It offers package holidays for about £300 for a week. One of the hotels in its brochure, the Kermia Beach, an apartment hotel at Ayia Napa, near Pafos, offers lunch and dinner for less than £4. Breakfast at the Nicosia Hilton is less than £3.

As I've already said, I am not a beach man. And I can see that the present beaches would not satisfy people dedicated to the miles of soulless sand on the Iberian Peninsula. They look small and grass-dotted. But they have a beauty of their own, and the one at the Kermia Beach can take a few hundred layabouts in high season. I am assured, New beaches are being developed.

We didn't find the weather too good in late February. I can remember the announcement by the Cyprus Airways captain as we descended to Larnaca: "We shall be landing soon, the weather in Cyprus is pretty much as it was back in England." Actually, it was better—around 50 degrees the following morning, the sun was shining and the sea was that beautiful Mediterranean blue and I drank my first brandy for 40p.

Twice it rained, and we couldn't get to the top of the Troodos Mountains for snow. But I didn't have to don a jacket until early evening and three of our party went for a swim in the sea and felt exhilarated.

The ancient remains are magnificent—the Roman mosaics at Paphos are worth a detour to see, although a chauvinist in our party upset the Greek girl guide by saying: "We've got better mosaics at St Albans." There are amphitheatres, museums, even a honeycomb of tombs old enough to have been used by the Egyptian occupiers of the island, and you can't walk far without tripping over a Byzantine ruined church or a pillar where St Paul was flogged.

By this, you can realise I have renewed a love-hate relationship with Cyprus. Of course, I'd go back again. I think when the Government has sorted out all the building debris without too much blight, it could be one of the holiday boom areas of the eighties.

One morning in Limassol we were pursued down a side street by an eager estate agent wanting to sell us a three-bedroom bungalow for £28,000. Even in February with the rain trickling down, it was a temptation.

But my favourite memory of Cyprus was a cool, sunny morning in Nicosia. We dropped into a bar for the regulation first brandy-sour of the day. The television was on and I had my back to it.

"Good heavens," my friend said, "look at that." I swivelled round and couldn't believe what I saw. We went out chuckling after two more drinks reflecting on where else could you sit drinking cocktails and watching a blue movie at 11 o'clock in the morning.

Even before you slip behind the steering wheel the Maestro makes a good impression. Once inside, the seats prove to be well shaped, the driving position excellent and visibility unusually good. Instrumentation varies from the adequate in the basic 1.3 to high technology, with a full electronic pack complete with female voice synthesiser standard in the dearest Maestros and available at extra cost in many others.

It wouldn't be high in my list of priorities but it's a talking point and, for a few weeks at any rate, a first for BL (Renault's 11, due for launch at Geneva next week, has a similar

system.)

1.3 HLE. This is the ultra-economical one. The A Series engine loses a little horse power but gains torque (pulling power) at low revolutions compared with the standard version. It cold-starts cleanly and pulled well while warming up. Third gear is in effect a direct top; it's good for an indicated 85 mpg.

The overdrive fourth is fine for level motorways but is so high that speed falls away on slight gradients. A family man who fills the HLE with children, the load space with cases and puts a lot of camping gear on top will spend more time in third than fourth. I suspect, BL claims 43 mpg (urban) and a typical week-day-week consumption of 50 mpg. I'm sure it is obtainable on journeys but it won't be if your runs are short with plenty of cold starts.

1.6 HLE. The same agreeable trim as the 1.3 HLE but much more pep (81 horsepower against 54). A five-speed gearbox with high but usable top. Firm through comfortable ride, competent handling, quiet running.

MG Maestro. I drove this one up the curving mountain road from the coastal plain near Marbella to Ronda. It's a vigorous performer, with a very good close ratio 5-speed gearbox, sharper steering response due to the 45 series tyres and willing to rev hard. BL claims a top speed of 111 mph. I loved the digital speedometer, was less impressed with the linear, illuminated rev counter.

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On the rough, twisting road from Ronda toward La Linea it rode shock-absorbently, pulling hard up hills and trickling through villages at 25 mph without getting out of top.

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Maestro to the rescue

METRO ASSURED BL's survival as a volume car producer; Maestro, which made its long-awaited debut this week, could be a first step on the road back to profitability.

It is a thoroughly attractive car, whether one is considering the basic 1.3 at £3,585 or the £5,395 Vanden Plas 1.6 litre. In an age when so many new cars look like clones, fresh from the computer, the Maestro is refreshingly different.

Its glass area is enormous, with flush-fronted front and rear screens that look tidy and help reduce aerodynamic drag. The deep indentation running down the flanks at headlamp height avoids any risk of slab-sidedness. And the deformable, body-coloured front and rear protectors follow a most distinguished precedent—that of the Porsche 928.

Maestro's body is totally new. So is its coil spring suspension which breaks a more than 20-year run of Hydrolastic and Hydrazas systems which always seemed to me to promise more in theory than they delivered in practice. The engines, as is so often the case with European cars, have been around a long time. But the 1.3 A Series (as used in Metro and Italy) and 1.6 R Series developed from the Max's motor) are willing and economical.

The transmissions—gearboxes and final drives—are bought from Volkswagen. There are four kinds: a straightforward 4-speed used in the cheapest Maestros, a 3+E for the economy 1.3 HLE, a 5-speed with a high, overdrive top and a close-ratio five-speed for the MG Maestro only.

All Maestros except for the MG have an electronic engine management system claimed to give fuel injection efficiency without the cost. Low rolling resistance tyres (Dunlop Elite or, for the MG only, Pirelli P8) are fitted throughout the range.

There is one body—a five-door hatchback with a tailgate opening right down to the bumper—though a four-door saloon with a boot follows within the year.

Even before you slip behind the steering wheel the Maestro makes a good impression. Once inside, the seats prove to be well shaped, the driving position excellent and visibility unusually good. Instrumentation varies from the adequate in the basic 1.3 to high technology, with a full electronic pack complete with female voice synthesiser standard in the dearest Maestros and available at extra cost in many others.

It wouldn't be high in my list of priorities but it's a talking point and, for a few weeks at any rate, a first for BL (Renault's 11, due for launch at Geneva next week, has a similar

system.)

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The Toyota Tercel 4 x 4 I mentioned last week is now in

the showrooms at £5,882, which seems astonishing value for a nicely trimmed 4/5 seat, four-door estate car with a lively (up to 90 mph) on-road performance and instantly available four-wheel drive for tackling snow, sand or mud.

Other than its muscular, slightly high off the ground feel, it goes like any 1.3 litre front-drive estate, though the headroom is exceptionally generous. It can be thrown confidently round mountain hairpins, cruised on motorways at 70-75 mph in relative silence and makes light of terrain that most might consider fit only for Land Rovers.

Citroen has brought the Peugeot 104-based LNA model to Britain to broaden the range and, presumably, attract buyers who fight shy of their usual inspired unorthodoxy. It has a 1.124 cc engine (also used in the Visa E) giving top speed of 87 mph and extreme economy—48.7 mpg for the official urban cycle, 60.1 mpg at a constant 56 mph.

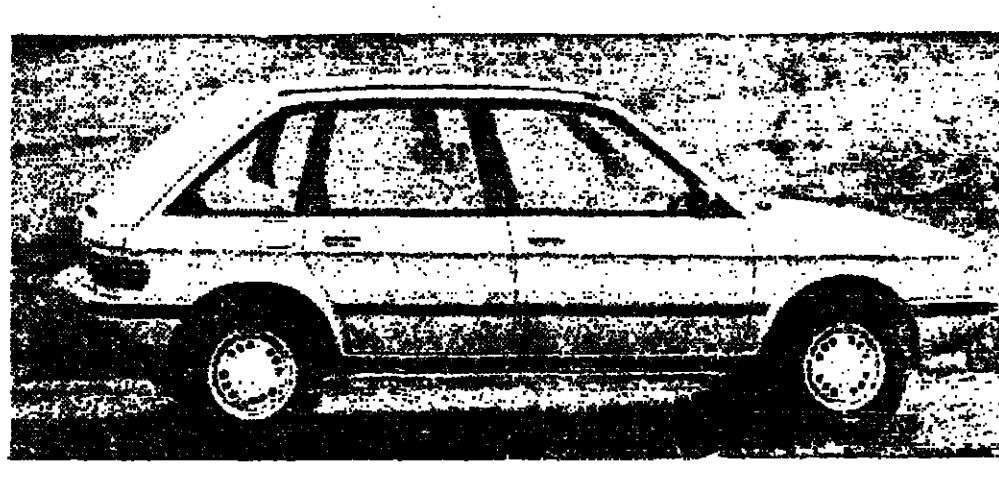
The front seats are sheer bliss, the rear ones more like padded shells for small children and shopping. Previews are from £2,990. Another new Citroen variant is the 104 mpg

Visa GT, which is quick (110 mph), sporty, strident when accelerating hard (0-62 mph in 10.9 seconds) but seats four in considerable comfort. Drive with moderation and it can be economical and at £4,550 rivals like the MG Metro and Ford Fiesta XR2.

Honda's new Prelude 2—has also come on sale this week at prices from £10,250 for the Executive with four-speed automatic transmission. Honda's own anti-lock brakes (ABS) is a £380 factory-fitted extra, the Executive models only.

The new Prelude is a 2.0 litre longer and wider than the one, has more power from its three valves per cylinder engine and offers more room inside, though the new seat is still for occasional use if normal size people are no frills.

The anti-lock brakes let a slow down a though on a straight road when I stamp on the pedal in the middle of a wet bend. On European motorways last week I took the 1.8 litre engine wave easy 100 mph cruising rate at the Prelude could be put hard on winding by-roads and remain well mannered



The Maestro. Good looks, keenly priced and it goes well, too.

MOTERING

STUART MARSHALL

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Paul Jennings previews Hardy's version of 'Dallas'

JR and the Wessex wench

DAMON BARLOW'S nerves were all a-jangle as he drove across the brooding expanse of Glumdown Heath. The sharp metallic noise of the cattle-bang as he drove across it seemed to echo with a new significance, a mocking reminder that progress might well be all, be a movement, but simply a blind force. For across the heath had waited—dark, blind, ominous. Though fringed by fertile agricultural habitations like his own dear Turtletarrow Farm, it had withheld itself from puny men, with the exception of such as gypsies, or the furze-cutter, Thaddeus Dodd, whose lonely figure, Damon recognised, silhouetted against a faint glow which he knew to be not the last gleam of sunset but the flare-off at the refinery, a mere three miles away.

It had been a long meeting of the Save Turtletarrow Now campaign, of which both the force of local opinion and his own inclination—ay, earth-bound, soil-bound, unsprayed, dreamer though he was—had propelled him into the position of chairman. He had gone to it bodeful of opposition, as well as support. Yet the support had not heartened him, and the opposition had disturbed his gentle soul.

Yes, his nerves were a-jangle. How he looked forward to the steaming cup of tea she would have waiting!

It was a heavier burden than his usual cloak of furze that Thaddeus Dodd carried to his solitary hut on the edge of the Heath that night, for he bore also a mental burden; a heavy thing for a man whose consciousness was scarcely ever woken into individual life from the vast seasonal breathing he shared with Glumdown.

"Phemmy! Phemmy, is that you?" Every vibration in the tone of the urgent, masculine whisper which Thaddeus had overheard in the tree-dusk as he bent the last furze-graft of the day with his nigger cane, back into his tot mind. For he had seen the light yet furtive tread of her whom he recognised as Euphemia Barlow as she entered Grimley Copse. Though faint to avoid eavesdropping, he yet had durst not betray his presence, and because the first to know what was passing between Euphemia and Digby Venables, the oil company's project manager.

"Oh, Digby, is it safe, my meeting you here?"

"My bird, my passionate one. I knew you would answer my message, though it had been a thousand times more dangerous."

"You are so strong; strong with the future, the future of oil!"

"Ay, but you married Damon, the weakest at the end of a long line of those who, strong at first, made this land. You married him instead of me, the father of your child!"

"That is hard of you, Digby. I married him so that little Joel should have a name."

"Ay, Joel Barlow, not Joel Venables. You married him mighty suddenly."

"And did you not leave suddenly? I did not know you had gone to a different polytechnic to learn oil technology until after our little one was coming. It would break his kind heart to know that Joel is not his. It is too late, with you married too."

Thaddeus heard the sound of the hard fist of Digby Venables as he smote the trunk of the tree of their fatal trust. "Oh God, Phemmy, I swear to you. Procne is nothing to me, though I married her. She was a secretary in our Aberdeen office when I was on North Sea surveying. Her transient beauty is beginning to bore me to death. That is why I ask you to come with me, now, to make a new life in Kuwait..."

With a strange expression compounded of both gloom and hope Corydon Goulding gazed at Procne Venables across the rough deal table, the only furniture of his "hide" in Gloomer Forest. "So it is true, then? You have conceived a child?"

"Our child, Corydon. It could not be his. He had a vasectomy, saying that a family at this stage would interfere with his upward executive mobility. And I am glad of it."

"Even though he is so rich with the future, the future of oil, and I am only an Ecology

Department Bird Watcher Grade III?" muttered her lover, scarce raising his eyes.

IV

Eighteen years had passed when Damon Barlow, his life sentence remitted, was released. "I am rich now," he thought, as his Rolls-Royce neared the bannister Turtletarrow Field. Thaddeus, bearer of the information which had driven him to kill Venables, was himself dead. The poor fellow had acted from the highest conservationist motives, reflected Damon; he had only desired, in his dark dim way, to keep Venables and all that he stood for away from the Heath. "He could not have guessed that I loved Euphemia enough to kill Venables, or that she had loved him enough to drown herself when I did it."

Procne Venables, still trim of figure, was waiting for him under No 23 Fracturation Tower, as she had promised. He knew from her dark letters that he had been in prison, that Corydon, too had died, and that Euphemia's child Joel and hers were both now nicely settled with Esso. Perhaps the blind gods had taken what they wanted from him and from her, and now they would be able, like their forefathers, to live out the rest of their days on a farm. Not near this Heath, though. Not where there was the slightest trace of shale.

hook a lot of fish. He believed that in spinning the river should do the most of the work swinging the bait round while the angler only reeled in if the bait was getting too near the bottom and in danger of snagging.

It is a completely different technique from still water spinning where the movement has to come from the operation of the reel. He also used to play the line all the time jerking and twitching it so that he could, as he told me, keep in touch with the bait.

I have also taken to fishing with light wooden minnows which float off the bottom as they swing round. I can feel the leads bumping as they go but they do not snag as does a heavy minnow.

But all this detail simply obscures the fact that I am to all appearances unlikely to catch one of the declining salmon stock. That I am mad to mortify the flesh in such an insensate manner, and that there must be better causes for such sacrifice. But I cannot think of one.

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It's just that there are not enough fish

MY ONLY appearance on any stage was in a school play when I had been conscripted to play the part of a "teeny-bottler" in the state version of "A Tale of Two Cities," titled "The Only Way." As I watched the hero Sydney Carton insist on replacing a pale young aristocrat on the tumbril to the guillotine, I had to mutter, loud enough for the audience to hear: "The man's mad." In actual fact my performance was only seen at the dress rehearsal, after which I succumbed to flu and missed the opening night.

I was thinking of this phrase last week when I was sitting in a boat on the Wyre casting and retrieving a small Devon minnow in some very glacial water in the hope, but not the expectation, of attracting a salmon. Needless to say, no salmon hooked at it nor did a pike of which quite a few allow themselves to be caught at this time of year. The only sign of life on the river, apart from a few ducks, was a seedy-looking shag, drying his wings on the

Footloose



IT SEEMS astonishing now to reflect that until the First World War, it wasn't quite "nice" for a lady's feet to be seen. I am indebted to Christina Probert's fascinating review *Shoes in Vogue* (published by Thames & Hudson, £4.95) for this and other tidbits of information on the rise and fall of interest in feet and how they are shod. She reminds us of Sir John Suckling's famous lines:

"Her feet beneath her petticoat
Like little mice, stole in and out
As if they feared the light."

She reminds us, too, that though we may think we are the first generation to take to the health movement so ardently, there was the "Rational Dress" movement which flourished around the turn of the century, which advocated styles based on considerations of "health, comfort and beauty."

These were clearly sentiments that women have abandoned whenever fashion dictated otherwise—nobody interested in "health, comfort and beauty" for instance, could ever have embraced the stiletto as enthusiastically as I remember most of us doing in the early Sixties.

plaints were dealt with had dropped by 50 per cent and more and more shoe shops were honouring the Code of Practice which obliges them, in short, to sell good quality shoes and deal with genuine complaints quickly and honestly.



If you want to identify the shoe shops by whom you're most likely to be treated honourably and fairly, then look for the sign which declares that the shop honours the code of practice for footwear. It should be displayed in the window or somewhere else prominently in the shop. There should also be a copy of the code itself which you can ask to see.

Similarly, when it comes to repairs, there is a code which the industry devised in the wake of all those endless criticisms hurled at them. Shoe repairers agreeing to honour the code should also be displaying signs to that effect. Signs, alone, of course, guarantee nothing but they are at least a declaration of intent.

However, which? still found that some 10 per cent of its members were unable to find shoes that were really comfortable or fitted properly. So for all those with feet that don't fit into the nationally accepted manufacturers' norm, here are some of the shops and services available to them.



and fancy free



Now, however, things have almost come full circle—the "Rational Dress" movement would find much to approve of. Seldom can the fashionable shoe (the flat pump so beloved of the Princess of Wales, the soft baggy boot) have been more comfortable or more readily available—if, and there's the rub, your feet happen to come in the sizes that manufacturers believe they should.

However, there is lots of good news on the shoe front. After the welter of complaints that hit the shoe shops in the late '70s and the series of stiff reports on the unsatisfactory treatment dished out by the shops to customers with complaints, most of the reputable shoe chains have made big efforts to put things right. Which? in a report it published in 1980 found that things had improved dramatically over the previous 10 years.

Complaints about shoes themselves and about the way com-

● **ROOTS**, 4 Conduit Street, W1 is famous for its tough, comfortable shoes and may well be the place for those who can't afford bespoke prices but have despaired of finding something ready-made that really fits. It goes in for a rather rugged look and the shoes are very strong and hardwearing. For people who are on their feet all day the shop makes negative heel shoes—that means that they are lower at the back which, apparently, is an aid to the most natural way of walking.

● **CLARKS SHOE** shops offer a very useful service for those

whose feet are odd sizes. Anybody can walk into his or her local **Clarks** shoe shop, choose a style from a reasonable selection and then have two matching shoes made up, one to fit each foot (ie one size 5 and one size 5½). **Clarks** goes to great trouble to make sure the leather and the dye match each other, the service takes between four and six weeks and there is a charge of 25 to 30 per cent on top of the original cost of the shoes.

● **ADAMS & JONES**, Crispin Hall, High Street, Street, Somerset. A useful company to know about for they will take

orders for hand-made shoes by mail. Customers are asked to send in an outline of their feet, together with certain measurements and then A & J make the boots or shoes to measure.

They pride themselves on catering for malformed feet—all those bunions that are the legacy of the stiletto heels and narrow toes of the 60s, can now be comfortably accommodated. The company uses only natural materials and traditional skills in making the shoes. Comfort and high quality rather than high fashion, are the keynote of this company. There are about 20 standard, adult styles (prices from £35 to £55) and five

children's styles (prices from £13.50 to £28 for boots).

● **SMALL & TALL SHOE SHOP**, 71 York Street, London W1 (01-723 5321). The shop for those who are lucky enough to have very tiny feet (in earlier times, a source of great pride, thought to be a mark of



breeding) and very large sizes. They supply shoes in the full range of widths—AA to E, in sizes 13 to 21 for small feet, and sizes 8½ to 11 for large ones. There's also a mail order brochure and shoes can be ordered in almost any colour. About £32 a pair. The shop is closed on Monday. There is a mail order list but stipulate whether for large or small sizes.

● **ANDY'S**, 61 Goldhawk Road, Shepherd's Bush, W12. Andy's will make shoes to measure at a fraction of the price charged by the smart West End shops. However, I am reliably informed that you must make sure you keep a firm eye on the design—the best thing is to give Andy an actual shoe to copy. His service only takes about two weeks (though it



varies depending upon the amount of work he has on hand) and prices start at about £28 for sandals, shoes start at £40.

● **ORTHOPAEDIC FOOTWEAR**, 4 Paddington Street, London W1. This is the company that caters specially for people with really odd-shaped feet—if you have a bunion, an

arthritic toe or some other uncomfortably unorthodox-shaped part, the **Orthopaedic Footwear** company will make you a shoe to measure. Most of the shoes are made entirely by hand on the premises by skilled craftsmen. Individual lasts are built and only fine leather is used. For private customers, prices start from £245 a pair.

● **DELISS**, 41 Beauchamp Place SW3 (01 584 3321). If you are getting married or for any other reason want a special pair of shoes made in a specific fabric or colour, Deliss will do it for you. It will make to measure to any design, whether your own, or from a photograph, and can make them up in silks, satins, antique brocades, Baghdad carpets, straw. Prices are high—from £178.

● **MAGNUS** of Northampton, 2 High Street, Harpole, Northampton. sells a limited range of styles but is useful to know about because he offers them in large sizes for both men and women—English sizes 12 to 15 for men and 8 to 12



for women. He has a showroom attached to the warehouse but most of the business is done by mail order—so write to the address above for the brochure. For Londoners, there is also a shop at 63 South End Road, Hammersmith, NW3.

● **CRISPINS**, 5 Chiltern Street, London W1. This is the shop for those with hyper-elegant feet, the sort that are so narrow that they can't usually find anything refined enough for their refined bones. Not cheap—but high-fashion and elegant, in fittings narrow, AAA and AAA, B and C, up to size 7 English.

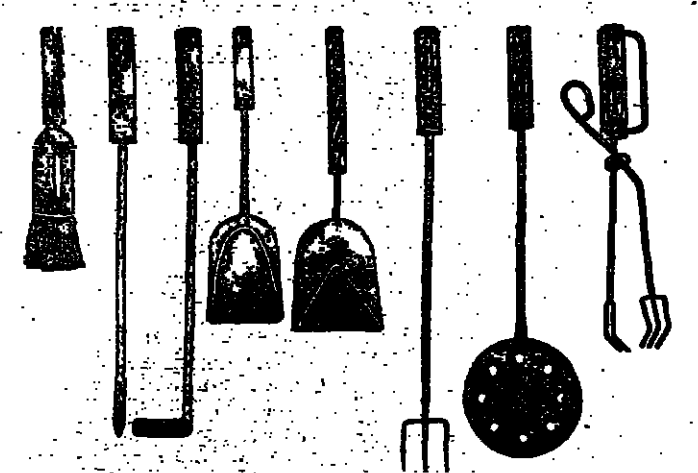
Anybody who has problem feet and can't find the shoe to fit can get a list of shoe shops all over the country which offer specialist help and where the assistants, as one spokesman so poignantly puts it, "care about feelings as well as feet" by sending a sae to: How to Spend It Page, Financial Times, 10 Cannon Street, London EC4. Mark the envelope "Problem Feet."



Suzanne Kathuda is a jeweller who works in porcelain and earthenware which she uses to produce a series of enchantingly pretty necklaces, earrings and hair-slides. All are based on fruit and flower motifs (like the green, red and white strawberry set above and the black glazed set with fake-pearl centres below). She makes it all herself, hand-mixing the colours and hand-painting or glazing them. Necklaces are £24 for the black set, £29 for the strawberry one, earrings are £9 a pair. Large stores like Liberty of Regent Street, London W1, and Harrods of Knightsbridge, SW1, stock it or you can write directly to her at 173 Portland Road, London W11.



Anna Morrow



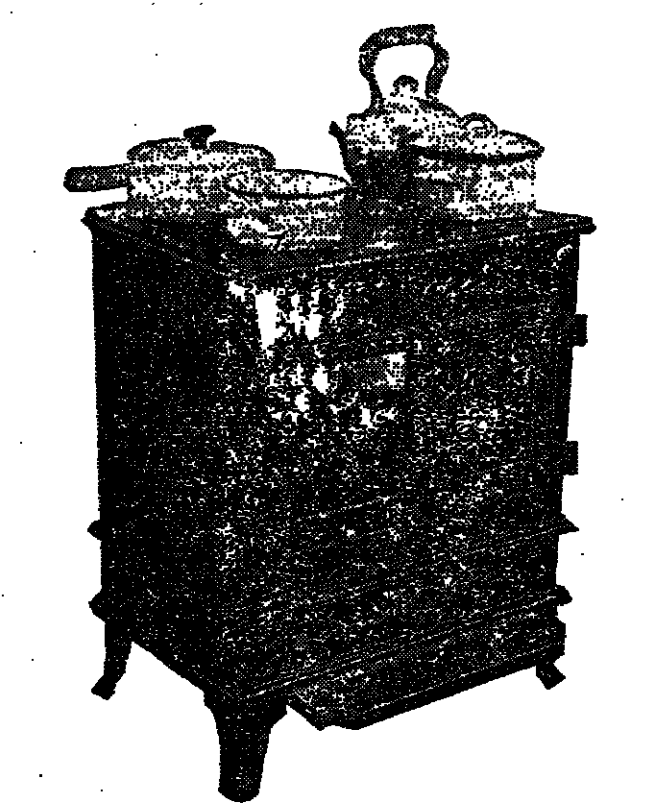
Hot gossip round the hearth

YOU MAY feel that as spring must soon be here now is the moment not to be thinking of ways with fuel and fire. However, as the Solid Fuel Advisory Service is fond of pointing out this is just the moment when contractors are least busy, when you are likely to get the best attention and the best deals.

Be that as it may, those who have been searching for a fine modern set of fire tools might like to take a look at the **Hearthline** range photographed above. From coal buckets, poker, hearth brushes, coal tongs, roasting forks, to chestnut roasters and fire-guards, the

Hearthline offers it all. Made in black-finished, mild steel with Burmese teak handles the pieces are sold separately at prices ranging from £10.35 for the poker to £46.57 for the coal bucket. Most good coal merchants sell them but in particular they are available from Hyders, Plaxtol, near Sevenoaks, Kent.

Fuels seem to be subject to a high degree of uncertainty which is why those who think of buying a stove tend to look for those described as "multi-fuel." This does not mean that they run off all fuels, just that



they will run efficiently on wood, coal or smokeless fuel, which does at least give three different options.

A new stove offering that facility, and the option of a central heating boiler which can be run off it, has just been launched by Stovax of Exeter, Devon. Besides giving 12 kilowatts of heat to the surrounding air, it has a large hot plate on which a kettle and several saucepans can be boiled or heated.

Called The Blenheim, the stove has matt black cast iron panels and a discreet decorative moulding. £545 buys you the stove alone, for £650 you get a central heating boiler as well. Find it in stove shops throughout the country or contact Stovax, Bishops Court Trading Estate, Sidmouth Road, Exeter, Devon.

Loden Sale
The Loden Collection Reduced
Costs from £59

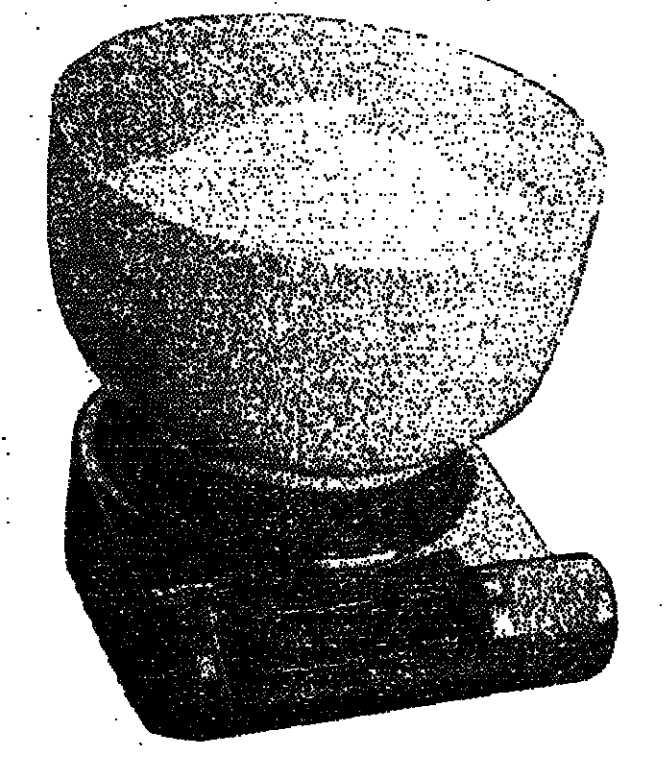
Tough, warm, fashionable Loden. Coat, skirt, trousers and knickerbockers — and now a whole new range.

DOUGLAS & HENRY
24 Portico Street, London SW1
Tel: 01-720 6155
9-5.30 Mon-Sat

Well balanced

No kitchen where any serious cooking is done can afford to be without a good set of scales. One of the best I know is the new **Salter Electronic "5000."** It has two important qualities—firstly you can weigh with almost any container you like—a plate, jug or bowl, or you can use the bowl provided. Secondly, you can weigh ingredients successively as you add them to the bowl. By just pressing a button the weighing indicator goes back to zero. You put in and weigh the flour, push the button back to zero, add the sugar, and so on with all the rest of the ingredients.

The scales are a stream-lined design in cream and brown and the new functions come to us by virtue of the micro-chip. Battery-operated, with a digital display at the front, the scales cost £39.95 from larger branches of Boots.



in Next week's FT

- The Technology Page—Tuesday to Friday—the latest technological developments and trends.
- The Management Page—Monday, Tuesday, Wednesday and Friday—reviewing management theory and practice in Britain and around the world.
- The Marketing Page—every Thursday—news and case studies.
- Building and Civil Engineering Page—every Monday—contracts, new products and industry news.

The FT brings you the information you need — read it every working day.

No FT...no comment

Local interests

At 8 pm on March 15, Radio London will give the first broadcast performance of Paul Hughes's Concertino for flute and orchestra. Who will know about it, apart from the people involved? Radio London is a BBC station, and you can get a rough summary of its programmes at the back of Radio Times. In the local papers they get a courtesy single-column half-inch or so, if they're lucky, but if the most sophisticated of them will put:

Telemann Concerto in G for viola and strings.
Vivaldi Concerto in B minor for four violins.
Hughes Concertino for flute and orchestra.

The ILR stations do no better, indeed they do worse, having no Radio Times and no space in TV Times. Capital Radio and Radio Clyde courteously send me details of their week's

RADIO

programmes. Capital even send me tapes of what they would especially like me to hear. I can hear either station from where I live: I have BBC Radio WM or Radio Bristol, Severn Sound and Radio Wyvern.

Severn Sound is, as I write, giving me an interesting phone-in on opencast free mining in the Forest of Dean. Switch channels: Radio WM has Edward Heath, no less, rather ineptly interviewed by Ed Doonan. Both worth catching, in their way, but only to be caught by trial and error. This reticence is important, because the old worries about Radio 4 are still afloat. There are still people who fear that they may suffer Richard Francis's alternative scheme that would put all the plays and things on "Radio 4"—a consortium of the BBC local stations—and fill up Radio 4 with news and current affairs.

I thought I might learn something positive about the future of Radio 4 last Wednesday, when the Controller, Monica Sims, lectured at the Royal Society of Arts. But Miss Sims, in an intensely interesting talk, had to confine herself to speculation, though the speculation was fairly hopeful. There was talk of another channel that would save the Radio 4 addicts from the dreadful agony (as they see it) of switching from one channel to another. (The

Radio 4 groupies! One lady wrote to complain that one programme was transmitted at the time when she had her bath, and was indignant at the reply that she might have her bath at a different time.) There was a well-received hope of a possible channel combining education and Parliamentary coverage.

However, as Miss Sims pointed out, there would be no sense in transferring plays from Radio 4 to the local stations. There are the mobile listeners in their Cortinas to be borne in mind; and unless all the local stations had identical time-schedules, the Cortinas would hear the first half of Afternoon Theatre on, as it were, Radio WM, and find when they get into Radio Stoke country that they were deprived of the rest of it. One thing I did hear of, on a subsequent gossip, was the possibility of a late programme on Radio 4 covering the day's arts. I have been clamouring for arts coverage on Radio 4 for ages, and this sounds good to me.

But Chancellor would be likely to stay on Radio 4 even if it were to be devoted to news and current affairs, for this is current affairs at its best. It will consist of five programmes, devised and presented by Hugo Young, about the Treasury.

The first of them, *The Topmost Mandarins* last Sunday, dealt with the personal qualities of the mandarins who staff the Treasury—more important, perhaps, than it sounds, for the personal qualities of the men in charge of our destinies are a vital factor. (Remember Maclean and Burgess?) The impression I took away was reassuring. No more bowler hats and striped trousers, they said, but "a very casual society," as Roy Jenkins said, who call one another by their Christian names and have a whole spectrum of economic philosophies that are all subordinated in loyalty to the current Minister, and to one another.

Would it be helpful, Mr Young asked Sir Douglas Wicks, to be able to count on an attitude of certainty from the Government? There's always Government uncertainty, Sir Douglas said. This Government is no different from the rest. We shall see how much the philosophers of the Treasury have time to devote to this uncertainty on March 15, unless the Chancellor treats them as he treated the TUC. "He was obviously listening," Len Murray reported, "but whether he was hearing is something I can't say."

Max Wall

BY WILLIAM PACKER

The paintings and drawings that now occupy one of the principal temporary exhibition galleries at the National Portrait Gallery (until May 15) are the product of singularly happy and extended collaboration between artist and subject. Some two years ago, at about the time that she was coming to the end of her term as resident artist at the National Gallery, Maggi Hambling met Max Wall, the distinguished comedian, and it occurred to her to ask him to sit for his portrait.

She had lately been particularly engaged with portraiture, for which she clearly has a great gift, especially so when the circumstances of personal friendship allow her a psychological penetration somewhat deeper than perhaps is usual: but in this case, whilst the invitation itself was natural enough, it was founded only in her admiration of Wall's work over the years, and she had no thought of anything more than the immediate exercise.

Two years and all this work later, the exercise continues, with one of the major portraits already acquired by the Tate, another bought for the Contemporary Art Society, and other collections no doubt sure to follow. As Maggi Hambling herself rather wryly puts it: "During Max's first sittings he would often say: 'Well, as you know... one thing leads to another... and so it was.'"



Max Wall with one of his portraits by Maggi Hambling

She is an artist of a peculiar, indeed very much her own kind, an expressionist and a fantasist, something of a romantic; and her work falls into two distinct kinds according to which of these moods or aspects is for the moment uppermost. They remain closely related, nevertheless, feeding creatively and imaginatively upon each other, and it is a great point in this exhibition to make the relation clear.

For Max Wall was not regularly available, and there were periods when Miss Ham-

bling was working entirely from what she calls her "internal image" of him. And so intense is that recollection, so closely informed by her objective scrutiny of him sitting before her, and her expressionist statement of his presence, and his properties, and the attributes of his craft, the battered hat and the clown's long boots, and the space they occupy together, that we could take certain of these overtly imaginative works, "The Visit of the Least Term," a notable example, with Max at his typewriter by the window, as not

total recall at all, but closely studied from life.

It is this quality of sustained credibility that is new in her work, and which she even has the confidence now to feed into the large paintings from life, and still life too (which is very new for her), which is her principal achievement: the two of Max sitting in his terrible suit of evening clothes, now with his mischievous shadow creeping up behind him, now with owl and cat, quite as fine as anything she has done and more ambitious.

L'Egisto at the Guildhall

BY STANLEY SADIE

L'Egisto, composed for Venice in 1643 and thus a close successor of Monteverdi's *Poppea*, was one of Cavalli's most successful operas in his day. In modern times it has been seen in the US and in Italy; Scottish Opera has revived Raymond Leppard's arrangement, and last week the Guildhall School of Music and Drama let Londoners see it. I find it a little puzzling that this opera, in this version, should be the choice of an educational institution because it poses so many stylistic problems, in singing, playing and staging: for in this form it is neither a haroque opera nor does it possess any other coherent expressive character.

It was symptomatic that the production, the work of Michael McCaffery, made no apparent attempt to define a style of acting appropriate to the score, or

indeed any style at all. The singers were dressed (not always tastefully) in some thing akin to a seventeenth-century manner, and put in a rural glade, but no one moved, acted or gestured in anything other than a freely modern way. The most stylish performer was in fact the tenor acting the part, originally for soprano, of the randy old nurse: Richard Sweden showed a nice sense of timing. It was typical that the opening scene of the last act, a perfectly sincere exchange of amorous sentiments, should have been turned into a parody, with extravagant gestures and poses that were hopelessly at odds with the music.

The GSM has an active early music department. There was no evidence of its participation in this early opera. Mr Leppard's score includes lutes and theorbo

but is for modern orchestra, with plenty of rich counterpoint, as well as in offstage wind band. Peter Stanger, who conducted, did not always draw well-tuned playing from them. The real trouble with this sumptuous score is that it shifts the expressive burden from stage to pit, and leaves the singers less free than they ought to be to make what they can of Cavalli's lines—which at their best are incomparably graceful, in his typical flowing triple rhythms. The two lament for abandoned lovers, with their passionate chromaticism, offer their interpreters marvellous opportunities.

These students took them, but took them in the wrong sense. Paul Harris, in the name part, sang his like a romantic tenor: it would have been a hundred times more effective had he

observed the expressive constraints proper to the idiom, but this bastard version of the idiom rules them out. The other, for Clemene, was quite tellingly sung by Anna Steiger, a soprano whose projection and articulation improved markedly as the evening wore on but here the husy inner strings made her voice one of many along with the violas and cellos and restricted her freedom. The other principals were Steven Richards (Lido), a well controlled counter-tenor who needs to strain a little in focus, a quite promising young baritone Quen Hui Hayes (Ipparco), and—the evening's most interesting voice—Ulla Jarvela, a lowish soprano or high mezzo who sang the main female role, Clori, with warmth and address in a style certainly more Verdian than Monteverdian.

Most refreshingly, both the main characters are drawn fully in the round. De Niro shows what a chameleon genius of an actor he is. This fiddle-bellied, dimwitted leaguer is so far from the aloof and troubled performance as that was from his barrel-bellied and headstrong Jake La Motta in *Raging Bull*. Moriarty, with his wide, startled eyes and chunky, assertive manner, is the most interesting young actor in Hollywood never to have reached stardom. Someone please give him a leading role.

Considered trifles

You need a long rod and line to fish for fascinating, or saken feature-films in the public eye of the video market. Movies which their distributors didn't deem worth spending the extra million plus dollars on necessary to publicise their cinema release, used to be regarded with the fastidious as "shelving".

Today they're thrown straight out into the video shops; where hundreds of semi-anonymous wares swim together and where they are left virtually to publicise themselves.

Some films deserve a better promoted fate. Not least *Banx The Drum Slowly*, ten years old, never seen in British cinemas, and now available from Guild Home Video. The young Robert De Niro, gum-chewing and fop-haired, is a baseball player, one of those resolutely nameless Hollywood diseases. (We assume it's cancer).

VIDEO

NIGEL ANDREWS

Michael Moriarty is his tramp pal, hale and vigorously hairy, who wants to keep his friend's wares and career alive for a season more; so he keeps the illness secret from the rest of the team. Including the manager, played by a here up roarious Vincent Gardenia, whose face is a conspiracy of fat and rudely inquisitive wrinkles, and whose eyebrows rake off like lighter planes at every call of "Scramble!"

The illness is a sentimental contrivance that sticks out somewhat, like a sore thumb, from an otherwise raw, funny and very credible picture of behind-the-scenes sporting life. Baseball footage is kept to a minimum, and scenes flicker and sizzle with a slyabout vernacular energy and wit in locker-rooms or hotels or training-fields.

Most refreshingly, both the main characters are drawn fully in the round. De Niro shows what a chameleon genius of an actor he is. This fiddle-bellied, dimwitted leaguer is so far from the aloof and troubled performance as that was from his barrel-bellied and headstrong Jake La Motta in *Raging Bull*. Moriarty, with his wide, startled eyes and chunky, assertive manner, is the most interesting young actor in Hollywood never to have reached stardom. Someone please give him a leading role.

Banx The Drum Slowly is a film well worth seeing in and out of the cinema. James Toback's *Love and Money* (Guild Home Video), by contrast, is more typical of his studio rejects, constrained to video. It's a waterlogged old boat, and with pretensions too. Toback, presumably scripted Karel Reisz's *The Glimmer Man*, and later wrote and directed *Firestarter*, the story of a gifted pianist (Harvey Keitel) who was a spare-time heavy for the Mafia.

Love and Money is Toback's latest opus and has leaped straight and deservedly into cassette obscurity. The plot about a young banker (Ray Sharkey), hired by an international silver tycoon (Klaus Kinski), to discourage a Latin American country from nationalising its silver industry (the President, Armando Assante, is an old Harvard pal of Sharkey's) is (a) incomprehensible and (b) interminable. Sharkey also enjoys an affair with Kinski's ruble-voiced wife (Ornella Muti), but we, the audience, do not: the said romance being conducted with much ludicrous high-toned dialogue as the warty arabesque themselves into unlikely positions on hotel beds.

Spare a tear too for King Vidor, the late great Hollywood director of *The Crowd* and *Duel in the Sun*, who is here called upon to lead his stately white hair and distinguished Grandpa Sharkey. Clearly Vidor came to the thespian art too late, to master it and is a noble duck gasping for life far away from water.

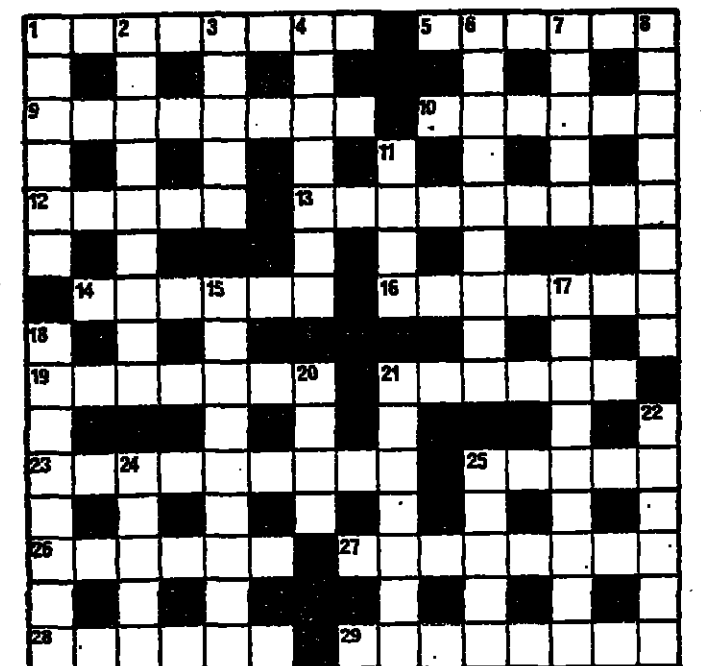
"The ducks are on the lake!" snaps General Rod Steiger with Texas accent in *Breakthrough* (Guild Home Video), our third feature-film translation of the video week. Steiger means that the nasty Nazis are ready for shooting, plucking and roasting. We are somewhere in Europe. We are somewhere in Europe. Battered German barbershop seagant Richard Burton offers to parley with the enemy (the Allies) to procure an honourable ceasefire and surrender. But, will: his moody and psychotic immediate superior (Helmut Griem) agree? Will snow-haired German General Curt Jurgens intervene? Will Colonel Robert Mitchum, on the other side, raise the somnolent portulacians of his eyelids to take an interest in the plot?

This plangent catastrophe of a war, adventure—imperturbably clichéd, valiantly shoe-string—was written by Tony Williamson and directed by Andrew McLaglan (*The Wild Geese*).

F.T. CROSSWORD PUZZLE No. 5,114

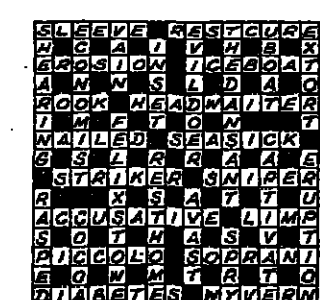
A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4A 3DF. Winners and solution will be given next Saturday.

Name _____
Address _____



- ACROSS**
- 1 and 5 Lower from the Gramscians? (8, 6)
 - 9 Beet said to be at the root of this trouble? (8)
 - 10 Pastafecis produces standard decay in one (6)
 - 12 Poet uncertain how to reply? (5)
 - 13 A new one might hover—warn mole specifically? (9)
 - 14 Roman body—body of soldiers—surrounding Uricorn's head (6)
 - 16 Top of Borg's equipment to function with hings? (7)
 - 17 Colomist stumping up? (7)
 - 21 Princely sounding simulant (6)
 - 23 So letting oneself down can be seen on the face (8)
 - 25 Clear air over the pub— that is natural (6)
 - 27 So much of a facade, enough to make one craft (8)
 - 28 "Damage to wheel-cushion endless" (6)
 - 29 and there becoming one fixed to the cause (8)
- DOWN**
- 1 Places of concealment for battery (6)
 - 2 Vessel deliberately over-turned on course? (5,4)
 - 3 City of grand competition (5)
 - 4 loV's lighthouse almost unnecessary? (7)
 - 6 AM signal from O? (5,4)
 - 7 Project to make pots (5)
 - 8 The whole tiny tree trained thus (8)
 - 11 eg Devon sailor, a lubberly sort (4)
 - 15 Simply, art-form of some forecasts (8)
 - 17 All those who gain the KG, perhaps? (9)
 - 18 It is a fantastic life, getting away from it all (6)
 - 20 Paddington sees the end of this bird (4)
 - 21 Like a Wedgwood vase, fired with a guinea inside it? (7)
 - 22 Passionate paintings around study (6)
 - 24 One retired in outskirts of Santander? (5)
 - 25 Bondman randomly taken in by another niece (5)

Solution to Puzzle No. 5,113



BBC 1

Indicates programme in black and white

- 6.25-8.55 am Open University.
9.00 Hold Down a Chord. 9.15 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand, including 12.45 News Summary; Football Focus (12.50); Boxing (12.50) from America and, 1.30 London; Rugby Union (2.40) England v Scotland from Twickenham and Wales v Ireland from Cardiff. Final Score (4.35).
1.10 News.
3.20 Regional variations.
5.25 The Dukes of Hazzard.
6.15 Jim'll Fix It.
6.50 The Saturday Film: "Dad's Army" starring Arthur Lowe, John Le Mesurier and Clive Dunn.
8.20 Paul Squire, Esq.
8.55 News and Sport.
10.00 Dynasty.
10.00 Wogan with Jean Rook, Peter Ustinov and Leo Sayer.
10.45 "The Martian Chronicles" by Ray Bradbury, starring Rock Hudson.

REGIONAL VARIATIONS:
Wales—12.15 pm Grandstand as BBC1 except 2.30-4.35 Rugby Union: coverage of Wales v Ireland from Cardiff, plus highlights of today's other international matches. England and Scotland. 5.20-5.25 Sports News Wales.
Scotland—5.20-5.25 pm Scoreboard. 10.45 BBC Scotland 60th Anniversary: "The White Heather Club." 11.15 The Martian Chronicles (As BBC1 10.45 am). 12.45 Scottish News Summary.

Northern Ireland: 12.15 pm Grandstand as BBC1 except: 2.30-4.35 Rugby Union: coverage of Wales v Ireland from Cardiff, plus highlights of today's other international matches. England and Scotland. 5.20-5.25 Northern Ireland Results (opt-out from Grandstand). 5.20-5.25 Northern Ireland News. 12.40 am Northern Ireland News Headlines.

England—5.20-5.25 pm London and South-East: Sport; South-West (Plymouth); Spotlight Sport: All other English regions: Sport/Regional News Summary.

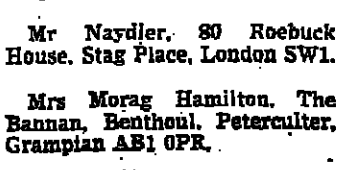
BBC 2
6.25 am Open University.
7.10 The Saturday Cinema Double Bill: "It's a Grand Life" starring Krystle Randle, and at 4.55 "It's Great to be Young" starring John Mills.
6.25 Buongiorno Italia!
6.50 Sight and Sound in Con-

cert: Level 42 at the Regal Theatre, Hithin. (Simultaneous broadcast on Radio 1.)
7.30 News and Sport.
7.40 Saturday Briefing.
8.20 Birmingham Goes to Frankfurt. Concert from Frankfurt-am-Main by the City of Birmingham Symphony Orchestra.
9.50 Recruited by Blunt: Ludovic Kennedy investigates Michael Strachan's involvement in the Cambridge Spy Network.
10.35 News On 2.
10.45-12.35 am Film International: "The Lacemaker" (French film with English subtitles).

LONDON
6.00-6.15 am TV-am Breakfast Programme. 6.30 Sesame Street. 10.30 The Saturday Show.
12.15 pm World of Sport: 12.20 Rallying—The Minter International; 12.30 Tobogganing—Cresta; 12.40 Match: 12.45 On the Ball with Ian St John and Jimmy Greaves; 1.15 News; 1.20 Motor Cycling from Carlisle, California; 2.00 Snooker—Yank Smith Organ; 2.45 Greyhound Racing from Wembley; 3.15 Snooker; 3.45 Half-time Soccer News and Reports; 4.00 Snooker; 4.45 Results.
5.05 News.
5.15 Greatest Hits—1974.
5.45 Chips.
6.40 Punchlines.
7.10 3-2-1.
8.15 Murder, Mystery, Suspense: Hawaii Five-O starring Jack Lord.
10.00 News.
10.15 The Big Match presented by Brian Moore and Jim Rosenthal.
11.00 Snooker.
12.30 am London News Headlines followed by Night Life. Presents: Rough Trade.
1.30 Close: Sit Up and Listen with Brian Cox.

CHANNEL 4
1.40 pm Tom Keating on Painters.
7.20 The Gathering Storm: Three Comrades starring Robert Taylor, Franchot Tone and Robert Young.
7.55 The Stranger Left No Card.
8.20 Metamorphosis.
8.35 Passport.
8.50 Brookside.
9.00 7 Days.
9.30 News Headlines followed by Preview 4.
6.45 A Week in Politics examines the Tory political

SOLUTION AND WINNERS OF PUZZLE No. 5,108
Mr P. S. Bagwell, 14 Brent Way, London N3 1AL.
Mr Naylor, 80 Roebuck House, Stag Place, London SW1.
Mrs Morag Hamilton, The Bannan, Benthoul, Peterculter, Grampian AB1 0PK.



Initiative in Ulster.
7.30 The Other Side of the Tracks.
8.30 Hollywood.
9.30 Faith.
10.00 Captains, Downstairs.
11.00 Malu Muler.
12.00 Death in the City: "Ministry of Fear" starring Ray Milland.

54C WALES
1.35 pm Shakespeare Lives. 2.05 Common Interest. 2.25 Rhydychen. 3.00 English. 3.30 News. 3.40 Football Results. 4.25 Country Grass in Concert. 7.00 Beat the Record with Keith Fordyce. 7.30 Star Special (S). 8.00 Stars of Friday Night. 8.30 Night (S). 10.00 Hiversum Greats Radio 2 (S). 11.00 Sports Desk. 11.10 Barry Took's Late Show (S). 2.00-5.00 am You and the Night on the Music (S).

RADIO 3
8.00 am News. 9.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 The World of Music. 10.20 Music Week 1983 in Concert. (S). 12.15 pm Jean-Philippe Collard, piano recital (S). 1.00 News. 1.05 News. 1.10 News. 1.15 News. 1.20 News. 1.25 News. 1.30 News. 1.35 News. 1.40 News. 1.45 News. 1.50 News. 1.55 News. 2.00 News. 2.05 News. 2.10 News. 2.15 News. 2.20 News. 2.25 News. 2.30 News. 2.35 News. 2.40 News. 2.45 News. 2.50 News. 2.55 News. 3.00 News. 3.05 News. 3.10 News. 3.15 News. 3.20 News. 3.25 News. 3.30 News. 3.35 News. 3.40 News. 3.45 News. 3.50 News. 3.55 News. 4.00 News. 4.05 News. 4.10 News. 4.15 News. 4.20 News. 4.25 News. 4.30 News. 4.35 News. 4.40 News. 4.45 News. 4.50 News. 4.55 News. 5.00 News. 5.05 News. 5.10 News. 5.15 News. 5.20 News. 5.25 News. 5.30 News. 5.35 News. 5.40 News. 5.45 News. 5.50 News. 5.55 News. 6.00 News. 6.05 News. 6.10 News. 6.15 News. 6.20 News. 6.25 News. 6.30 News. 6.35 News. 6.40 News. 6.45 News. 6.50 News. 6.55 News. 7.00 News. 7.05 News. 7.10 News. 7.15 News. 7.20 News. 7.25 News. 7.30 News. 7.35 News. 7.40 News. 7.45 News. 7.50 News. 7.55 News. 8.00 News. 8.05 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In the aftermath of Polly Peck, Kay Vaughan looks at the mechanics of stock markets

The City herd which suddenly bolted



Mr Asil Nadir and the headquarters of his Polly Peck company in Commercial Road

"I think the people in the East had been waiting for Polly Peck shares. My broker has a large client who was going in and out of each account and making thousands of pounds every time. I thought I'd follow him."

Mr Lou Sidoti was lightly stung rather than deeply burnt by the experience. From the vantage point of his seat at the City end of the Commercial Road, he watches the stock market with keen interest. "I don't normally take high-risk positions," Lou says, "but I'd been looking at Polly Peck since I'd first been told about them."

"I bought 2,000 in the account at £31 and got out at £30," he says. "It was the air-fairy for me, the herd instinct in the other punters was too strong."

It is easy to see why, just two weeks ago, the Polly Peck herd was grazing so contentedly. The shares had thundered up from a handful of pence to a peak of more than £35 in the last three years and were standing at £33 on Wednesday, February 23. Celebration spread far beyond the City's hostilities. A few months ago, the normally urbane customers of Patrick Langan's West End restaurant watched with some amazement when a young lady, dressed more garishly than the weather outside, might have demanded stopped at a table of two stock brokers and their escorts to stage the praises of their dealing skills. "There's no business like showbusiness," was the apt refrain.

Shortly afterwards, somebody with the gall to dress up in public as a gorilla entered to deliver further lyrical greetings to the foursome. Eventually, one of

the brokers felt sufficiently at one with the world to toast the entire restaurant. "To Polly Peck," he called.

But, at one point last Tuesday, the shares had slumped to £10. The herd had bolted. Lou had escaped with a £1,000 loss on his investment, plus dealing expenses, but others were plainly less lucky. Polly Peck's fall had also given two other associated companies, Cornhill Dresses and Wearwell, a severe mauling.

But what was it about the Polly Peck backlash that rebounded so painfully on the shares of London & Liverpool Trust, Bio-Isolates and Arlen Electrical among others? After all, Polly Peck had reacted to a sharp reminder that one of its principal areas of operation, the Turkish Federated State of Cyprus, remains an area of political risk until the differences with the Greek Cypriot population of the divided island can be settled.

Yet London & Liverpool distributes video equipment. Bio-Isolates is developing protein from cheese whey and Arlen is working on a new starter device for strip lighting. None has any involvement with Polly Peck or Cyprus.

But in many respects all these companies are part of a piece. Each is working on ideas, skilfully promoted to the investing public, which could lay the foundations of substantial profits growth. The marketability of their shares is narrow, and therefore, the response to any buying interest is usually quite sharp. Repeated tips from the growing number of investment publications and a series of bullish forecasts from various brokers helped fuel self-fulfilling share price performances.

Lou again: "The broker I usually use for traded options told me that London & Liverpool was going to reach £10. I bought 2,000 at 35p but the

market got too erratic for me and I got out at 39p in the account."

"This type of share had, to put it mildly, become highly speculative. The market defines a speculator as an investor who cannot or will not put down cash at the outset for the shares in which he has invested. (Indeed, his hope is that he will never have to do so.)"

The most usual form of speculation is what is known as dealing in the account. An account lasts for two, sometimes three, weeks during which time an investor can buy shares without paying for them. It is an entirely commonplace Stock Exchange transaction to lay shares which subsequently rise and to sell them at the end of the account. The investor takes a profit but does not have to pay for the original purchase until settlement day. For example, the most recent account closed at 32p but yesterday and settlement day is

March 14. With luck and good judgment such an investor can clear a position without even the need for an initial down-payment.

One of the principal effects of account dealing is thus to let the private speculator into the market. It is a device which is much encouraged, particularly by the jobbers, since it improves their turnover and makes the market much more flexible. Otherwise it is dominated by institutional investors who are, as often as not, dealing one way.

As one leading jobber remarked last week: "We need the speculators who are willing to take an opposite view of the market." But that is not the end of the story. There is a way round the requirement that the position should be closed at the end of each account, known as the "cash and new" facility and here the Stock Exchange's view becomes more ambiguous.

Clients of the 40 or 50 brokers which offer this facility can arrange for jobbers to finance their position. For an additional commission (usually 1p in the £ per account) a jobber will buy the client's position at the end of an account and will continue the position into the next account, or two-week dealing period. Most jobbers will not extend cash and new business beyond two accounts, but they concede that even this is an encouraging speculation.

The rules can be bent a little, provided the client's collateral is sufficient. One jobber remembers with amusement a millionaire who pursued one oil stock in cash and new positions through account after account. "It cost him £45,000," the jobber says with satisfaction.

But he stresses that cash and new "can be very hairy" because it provides extra time and credit for people who may

AN ACCOUNT TO REMEMBER

	Start of account Feb. 21	Low	Thursday's close March 3
Arlen	375	265	323
James Wilkes	430	280	300
London and Liverpool	530	380	415
Polly Peck	£ 324	£ 10	£ 151
Wearwell	107	50	42
Cornhill Dresses	238	118	128
Fabel	146	130	125
G M Firch	238	180	193
Bio-Isolates	420	295	320
Mellins	244	143	197

not have the assets to back what they are doing. Many brokers currently refuse to consider such facilities. As a rule of thumb, the firms which put their name to major offers for sale and demutualisation issues remain resolutely aloof from cash and new speculation.

No identical picture of the Stock Exchange speculator exists. But it is a reasonable bet that he works in or near the City, even if, in many cases, he is not employed by the stockbroker sector itself. It may surprise those who live outside the Home Counties that the life style of young foreign exchange dealers, commodity brokers and insurance brokers in London can be very good indeed. Annual salaries can reach £25,000 in a short while for those who succeed. Almost by definition, those who do make it will have dealing in their blood, be it for cash or new positions, three-month dollars, Treasury stock, or Polly Peck.

It is beginning to look as if cash and new dealing in Polly Peck had indeed become very "hairy" before the sharp fall. The market will probably never know for certain the size of the portions which had accumulated but gossip in the City's lunchroom rooms last week suggests that perhaps 60m was

riding cash and new on the textiles and other firm packing company. One jobber calculates that his aggregate cash and new facility in Polly Peck and London & Liverpool was about £2m.

The jobbers say that the market in Polly Peck's 7.3m ordinary shares was 2,000 share parcels in other words the price would have reached to say larger deal in a two-point spread. This means, for example, that the jobber would buy at £30 and sell at £32 to create a "middle" price of £31.

The exceptional interest in Polly Peck shares suggested that the price was poised to move up dramatically again. However, veiled warnings from the Greek Cypriot authorities, and some confusion as to the group's 131 position on the island, meant that Polly Peck cascaded downwards. To cover themselves, heavily borrowed speculators had to sell other shares: Bio-Isolates, London & Liverpool, Arlen and the like were the victims.

Worse, the Stock Exchange suspended Polly Peck while the company prepared a general statement on its tax exemption in Cyprus. The consequences of a prolonged dealing freeze would have been dire since the painters could not have realised

the Polly Peck securities underpinning their cash and new positions.

To widespread relief, the suspension lasted just 24 hours and overall losses can probably be absorbed. But the market will not be able to count the aggregate cost until the next settlement day on March 14. It could have been as very different. As one senior Stock Exchange Council member said: "We were scared stiff initially."

"We have to ask ourselves," he added, "whether cash and new is a good investment business." The answer seems to be that it is acceptable, with the important proviso that the business should be very strictly supervised by the Stock Exchange's own Firms' Accounts Committee.

Many speculators have cut extra cash as the result of the success of many recent new issues. Satisfied applicants for the likes of Cable & Wireless American International Associated British Ports and Superdrug will have made very good profits. The appetites of new investors have been whetted by the substantial premiums achieved on the first day of trading.

Speculation can also be fuelled by bank borrowing. It is difficult to assess the scale of such lending but one clearing bank and last week that "if you are a man of substance and want to borrow from me, would require you to show £10,000 of securities before we would lend you £10,000." On the other hand, one leading broker said: "I'm constantly surprised at how venetian banks are people to whom I wouldn't lend a penny."

One jobber may have caught the City's mood last week when he concluded: "But per cent of these people who lost money a Polly Peck last week either would not have been able to afford to invest or deserved to incur capital

Weekend Brief

The Welsh colliers at the root of the miners' dispute

"LOOK, I've worked in pits all over South Wales and in NCB and Thyssen tunnelling teams, and I've seen the changes in the industry as an observer."

"We've worked in the same conditions for 20-30 years. If they gave us the right type of machinery, particularly the right power supports, we could cut enough coal to show a profit at the pit."

The speaker is one of the men at Tynmawr-Lewis Merthyr,

the Rhondda colliery at the centre of the threatened national miners' strike over pit closures. They do not accept the verdict of the National Coal Board that their pit is finished.

A gathering of miners at the British Legion club, just across the road from the colliery winding gear, remains adamant that there is at least another 10 years — perhaps 20 years — of reserves left and that the pit's difficulties are the result of inadequate equipment.

The same was said of two other Welsh collieries which were also the focus of threatened industrial action in recent years — Deep Duffryn in the Cynon Valley and Coedgar, near Maesteg. In both these cases the men eventually gave up the battle against adverse mining conditions, within months of forcing a reprieve.

But the Tynmawr-Lewis Merthyr men don't see things in the same light. "This pit is still producing the finest coking coal in South Wales. Part of the

reason for the losses (£4m at present but forecast to rise to £7m) is that five years ago we received £37 a ton for the coal but today it is only £35.40 a ton. Instead of going to steel works it is now being used in power stations and as house coal."

The 110-year-old colliery was once a whole complex of workings, with shafts, employing 3,000. A J Cook, the legendary miners' leader in the 1926 General Strike, began his working life there. Over the past few years, it has been reduced to just two faces employing 539 men. The Coal Board's condemnation is twofold. "The roof above the coal face is so brittle that it breaks up as soon as the coal-cutting machine passes, leaving cavities two to three feet high, and about the same width, above the roof supports. Miners have to construct a timber framework above the supports to prevent further falls of loose stone."

"Also, because the seam is affected by old workings above

and below, not only is the roof brittle, but the floor is also soft, so that heavy power loading machinery gets bogged down and the coal cut is polluted by soft mudstone because the cutting machine churns up the floor as it is cutting coal."

The net result, the Board says is that in the last two months the coal face has advanced eight inches per shift and produced an average 25 tons output — compared with the UK average of nearly two metres advance and 360 tons a shift.

"For the last eight months, we have been trying to squeeze the last atom of footpath out of the tube from this pit and, technically, there is nothing more we can do," Philip Weeks, the NCB's Welsh director says.

Colliery manager Bill Nicholas says: "Nothing has been spared in attempts to get the thing to work, but it's a nightmare." But the miners themselves disagree.

Trouble over a Thames bridge toll

The owners of the cheapest toll bridge in Britain, which has been a tax-free haven since the days of George III, want to increase the charges to motorists by 500 per cent — from 2p per vehicle to 10p.

But the move by Michael and Stella Cox, toll-keepers of Swinford Bridge at Eynsham in Oxfordshire, has raised a storm of protest from local residents and now a public inquiry has been held there that audited figures show an average of 24,000 vehicles crossing the bridge every week, but claims that in the last year he made a trading loss of £337.

"We have had a complete survey of the bridge by professional engineers and they have estimated that repairs will cost £350,000," he says. "Our proposed increase would only just fund outside loans to cover that. The more years it is left the more expensive it is going to get. There have been no repairs to the bridge since it was built in 1797 and we want to ensure it remains safe."

The old toll was fixed at "a

penny a wheel," and the original Act of Parliament forbids any increase without the provision of an enabling Statute, which could be resisted by both the public and the local authority. Already 361 letters of protest have been forwarded to the Secretary of State for the Environment.

"The lounge-bar brigade think we are coming it in, but it just isn't so," says Mr Cox. "One woman has written seven letters of complaint, yet she doesn't even own a car and pedestrians are free."

Other free traffic includes police, doctors, nurses, milkmen and, since the Falklands War, all serving members of the Parachute Regiment and the airborne forces. Pressure pads inserted into the road give an accurate record of the traffic, although some independent spirits do drive past the toll-keeper's outstretched hand.

"It can be very awkward asking a motorcyclist to unzip his leathers and produce just 1p," points out Mr Cox, who has been offered a variety of unusual items in lieu of payment, ranging from a daily paper to a more profitable side of smoked salmon. He is also empowered to impound any vehicle for non-payment of toll, and sell it every day, and it is another reason for keeping our two alestians on the premises,



Michael and Stella Cox at the Toll Bridge, Swinford, Oxon.

apart from occasionally fitting-in for his two permanent staff, who keep the toll bridge in operation until 10.15 pm every night, Mr Cox admits that his main occupation is counting the money. "Do you know that £20 of 2p pieces weighs a stone?" he inquires. "We have to go to the bank every day, and it is another reason for keeping our two alestians on the premises,

though I doubt if the under-world would think we were worth hijacking for copper."

Mr Cox, a former golf club manager and previous full-time soldier, refuses to reveal how much he paid for the bridge and its accompanying three-bedroomed cottage and 11-acre grazing plot. He only admits that he got "a bargain." Speculated figures range from £250,000 to £750,000.

Arthur Koestler and 200 'Charlie Chaplins'

"I got here in 1940," once said Arthur Koestler who died earlier this week aged 77, "and very soon I did not feel an expatriate. I think of myself as a European of Hungarian birth and Austro-French formation, and a naturalised British subject."

Koestler's continental breadth of outlook, grounded in his experience as a political prisoner in Spanish and French prisons, came as a rejuvenating shock to the insularity of the London literary world at that time. He was not however completely through with prison. On his arrival here he had to suffer six weeks in solitary confinement in Pentonville before eventually ending in the "Allen" section of the Prisoner Corps. Koestler did his initial train-

ing on the sands at Drafcombe in a unit composed entirely of fellow emigres. "We were," he said wryly, "a parade of 200 Charlie Chaplins."

It was when he was on leave in 1942 that he met Cyril Connolly, editor of the prestigious cultural monthly Horizon. The story of how Koestler became integrated with British literary life through his friendship with Connolly, quick to spot his genius, will become plain in a book to be published later this year, David Pryce-Jones's Cyril Connolly: Journal and Memoir.

"I could have been an isolated emigre if Cyril hadn't taken me under his wing in 1942," Koestler told Pryce-Jones, and he went on to add: "I could almost say I was naturalised by Cyril, not by the Home Office." It was not merely that Connolly won him and dined him at the White Tower restaurant in Percy Street where he threw parties for war-correspondent Ernest Hemingway; he also published him in Horizon, starting with

Koestler's essay "The Yogi and the Commissar."

The essay established Koestler as a name to be reckoned with. He wrote his first novel in English, *The Sun and the Earth*, based on his time as a prisoner in wartime France before he escaped disguised as a member of the Foreign Legion, at the beginning of 1941. Jonathan Cape, his publisher, persuaded the authorities to defer his call-up until he had completed it.

Apart from his novels, of which *Darkness at Noon* is the greatest, Koestler had a distinguished career as a campaigning journalist and essayist. His last purely journalistic assignment came in 1972 when a Sunday paper sent him to Reykjavik to cover the world championship chess match between Spassky and Fischer. Koestler described himself in his report on the games as a "Passionate Duffer" at chess, but people who were there confirm that he possessed a most complete knowledge of

the game. In his youth he had been a keen player in the Cafe Central in Vienna.

After the war he became a zealous campaigner for the Abolition of Capital Punishment and, mindful of his own prison experience, he founded the Koestler Awards to encourage convicts to spend their leisure in creative and literary work. These awards will now continue after his death.

His most recent campaign was one to make voluntary euthanasia socially and legally acceptable. He was a sufferer from Parkinson's disease and leukaemia and it was in the light of his belief in self-deliverance that he and his wife Cynthia might have met their deaths. Unlike many eminent propagandists, Koestler practised what he preached.

Contributors:
Robin Reeves
Judith Stares
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GT U.S. & General tops the charts. 112.9% gain in one year.

In the twelve months to 28th February 1983, GT, the independent international fund management group responsible for client assets of over £1 billion, achieved a 112.9%* growth in its U.S. & General Fund. This is the highest growth of any U.K. Authorised Unit Trust. Over the past four years the fund has achieved a compound growth rate of 39% per annum.

GT believes that there are still excellent prospects for further appreciation in U.S. shares.

*Source: Planned Savings and Money Management

General Information
Trustee: Lloyd Bank Plc, 71 Lombard Street, London EC3P 3BS. The trust is authorised by the Department of Trade and qualifies as a "widely ranging" investment under the Trustee Investment Act 1961. The offer price of units on 28th February 1983 was 47.1p and the yield was 0.3%.

Applications will be acknowledged and certificates will be issued within six weeks. An initial charge of 5% is included in the offer price. An annual charge of 1% + V.A.T. of the capital value of the Fund is deducted from the gross income of the Fund to defray management expenses. Subject to this annual charge, and net of tax, income is allocated to Unitholders each 21st June and 21st December. (First payment in response to this advertisement will be 21st June 1983). Units may be sold back at any time at the bid price ruling on receipt of your renounced certificate and payment will normally be made in 7 days. Prices of units and yields are quoted in the National Press and following an initial purchase, they may be bought in multiples of ten. Commission is paid to recognised agents out of the initial charge (Rates available on request). The Managers are GT Unit Managers Ltd, 16 Finsbury Circus, London EC2, Registered in London No. 903827. Members of the Unit Trust Association. This offer is not available to residents of the Republic of Ireland.

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GT U.S. & GENERAL FUND

I/We wish to invest the sum of £..... (minimum £250) in units of GT U.S. & GENERAL FUND at the price ruling on the day you receive this application.

I/We enclose a cheque for the amount to be invested.

An account cannot be opened in the name of a minor but applications can be made by an adult and the account designated, i.e. 'A', 'B' or with the minor's initials.

Tick box if dividends are to be reinvested ☐

Signature.....

(In the case of joint applications all must sign and provide name and address on a separate sheet.)

Full Forenames.....

Block letters (Please state Mr, Mrs, Miss or Title)

Surname.....

Address.....

FTS/3

THE GT GROUP

Poor second half drags Ault & Wiborg into loss

A SETBACK has been experienced by Ault & Wiborg Group in the second half, with the result that an overall loss of £58,000 is reported for the year 1982, against a profit of £120,000 in the previous 12 months.

The dividend is being maintained at 125p net per share, with a final of 0.5p. At the half-way mark the group had made a strong recovery, turning in a profit of £731,000 compared to a loss of £58,000 in the corresponding period, and the directors said that this improvement should continue.

They now tell shareholders that the second half was affected by a downturn in trading, the inclusion of the Italian subsidiaries for the first time which involves a loss of £280,000, and a special provision of £130,000 against foreign debts.

Provision has been made in the accounts for the estimated costs arising from the impending closure of two factories in Glasgow and Birmingham.

The paints division continued to perform well and there has been a small improvement in profitability in the printing ink side and in the environmental engineering division. Chemicals were depressed because of a slowing of orders from some major customers.

Textile maker Lister & Co has moved back into the red with a loss of £319,000 for the half-year ended September 25, 1982. The third quarter was profitable but trading conditions remain difficult, the directors report.

The half-year's loss compares with a profit of £9,000 for the corresponding period of the previous year, which had increased to £100,000 by the end of the year. In 1980-81 the group incurred a loss of £529,000.

Turnover for the half-year came to £15,951 (£15,161) from which was derived a trading profit of £336,000 against £289,000. Loss per share was 1.05p (0.06p).

The group makes curtain velvets, cushions, woollen and worsteds, and synthetic and textured yarns.

First Scottish
The First Scottish American Trust has increased its short term multi-currency borrowings from the Bank of Montreal to a total of US\$15m by drawing down further US\$5m.

DIVIDENDS ANNOUNCED

Company	Current dividend	Date of payment	Corresponding dividend	Total last year
Ault & Wiborg	0.5	May 20	0.75	1.25
Beradin Holdings	0.3	—	—	—
Cont. Microwave	1.6	April 29	—	1.75
Courtesy Pope	1.6	May 17	1.2	2.8
Guernsey Atlantic	2	—	1	3
Loth. Enterprises	4t	—	—	—
Riverview Rubber	5t	April 18	5	10
Scottish Ontario Inv.	2.3	March 31	2.15	3.15

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § Malaysian sen. ‖ Gross.

The year's turnover rose by £5.6m to £80.43m from which a maintained trading profit of £2.03m (£2.01m) was attained. The pre-tax profit was struck after redundancy and closure costs £501,000 (£512,000) and interest charges of £1.53m (£1.38m).

Overseas losses, higher closure costs and fierce continental competition conspired to force Ault & Wiborg into the red after a first half which showed every sign of recovery. The hardest hit was the inks division, which

also suffered from a decline in magazine advertising at the very time it was expecting a seasonal increase. The chairman dismisses that as a temporary setback and reports fuller order books for the first quarter of 1983, justifying a dividend maintained at 125p. The recent Italian acquisition, designed to spearhead a drive into the European car finishing paint market, recorded a pre-tax loss of £280,000, while borrowing rose to 70 per cent of shareholders' funds. The shares sagged 3p yesterday to 30p, well under half net asset value and yielding 4.3 per cent.

Phoenix Props. hit by associate's loss

REFLECTING a loss of £108,800, against £5,000, from its 50 per cent owned associate, Kane Investments, property investment and finance incurred an increased pre-tax deficit of £66,422 for the year to September 30, 1982, compared with £4,497 previously.

Rental income rose in the year from £133,818 to £159,278 and before taking account of the associate's loss, the company made a pre-tax profit of £43,380, against a £1,404 loss.

The results were, however, adversely affected both by writing off the remaining assets of the Worldwide Group of Companies, the business of which was sold in April 1981, and by a reduction in the value of the company's investment portfolio.

There was a tax charge for the year of £32,000 (£27,000) leaving a net deficit of £97,422, compared with £4,567. Loss per 25p share was up to 0.15p from 0.02p and there is again no dividend.

Net interest costs of £191 (£3,674) for the period represent interest payable by Phoenix, less interest receivable. From Kane.

Referring to the associated company, the directors say that during the year Kane undertook considerable expenditure on certain property developments.

Although it did not realise the potential benefit from these developments during the period under review, it has been decided, in accordance with Phoenix's normal accounting policy, to write off all general overhead expenses incurred by Kane.

As mentioned in the interim statement, Kane's prospective developments at Swindon and Gatwick are of particular importance.

Since the company's year-end, contracts have been exchanged for the conditional sale to the Prudential Assurance Company of half the office development site at Swindon, on which planning permission for a total of 108,000 sq ft has been granted.

At Gatwick an appeal for a mixed development of over 1m sq ft is scheduled to be heard in mid-1983.

Turnover 1981-82 | 1980-81 || Turnover | 354,332 | 1,053,352 |
Finance & invest.	354,332	1,053,352
Personal services	—	580,785
Operating profit	122,265	62,018
Rental income	133,818	133,818
Finance & invest. loss	17,882	32,410
Personal services loss	19,331	38,382
Interest	910	8,570
Head Office expenses	77,986	54,746
Making profit	43,380	11,404
Share of Assoc's loss	108,800	3,083
Loss before tax	65,422	4,317
Tax charge	32,000	27,000
Net loss	97,422	4,567

Even so, the dividend, though thinly covered on these estimates, seems likely to be maintained at 5p. Maintenance of the dividend could, however, result in an increase in borrowings.

The timing of the interim profit announcement on Wednesday has prompted speculation that a rights issue will be

announced. But the company has given no indication that this will materialise and outside commentators are sceptical.

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Expectations of poor interim results from Consolidated Goldfields are now widespread. Base metal interests, held through Goldfields of South Africa, are unlikely to have picked up since the year-end due to the softness of metals markets during most of the six-month period to December 31. And the run on the gold price towards the end of the period will have done little to boost overall profits.

Outside analysts are predicting a virtual halving in pre-tax profits to roughly £38m, compared with £57.5m for the corresponding period of the previous year. This would translate to earnings per share of around 13p—well below the previous year's interim earnings of 21.5p.

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IV. UCM

Granger (WV) 625 614 [Schoering Plough] 444 454 464 Thompson (USP) 342 349

Indices

NEW YORK

DOW JONES

Mar. 5	Mar. 2	Mar. 1	Feb. 28	Feb. 25	Feb. 24	1989-85		Since Impl'n	
						High	Low	High	Low
Indust'l	158.06	155.06	156.11	158.71	158.04	158.06	77.92	158.06	61.32
Mar. 5	158.06	155.06	156.11	158.71	158.04	158.06	77.92	158.06	61.32
Mar. 2	155.06	156.11	158.71	158.04	158.06	158.06	77.92	158.06	61.32
Mar. 1	156.11	158.71	158.04	158.06	158.06	158.06	77.92	158.06	61.32
Feb. 28	158.71	158.04	158.06	158.06	158.06	158.06	77.92	158.06	61.32
Feb. 25	158.04	158.06	158.06	158.06	158.06	158.06	77.92	158.06	61.32
Feb. 24	158.06	158.06	158.06	158.06	158.06	158.06	77.92	158.06	61.32
High	158.06	158.06	158.06	158.06	158.06	158.06	77.92	158.06	61.32
Low	158.06	158.06	158.06	158.06	158.06	158.06	77.92	158.06	61.32

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Mar. 5 158.06 Mar. 2 155.06 Mar. 1 156.11 Feb. 28 158.71 Feb. 25 158.04 Feb. 24 158.06

High 158.06 Low 77.92 Since Impl'n 158.06 61.32

Indust'l 158.06 155.06 156.11 158.71 158.04 158.06 77.92 158.06 61.32

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STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without the consent of the Stock Exchange. Details relate to those securities not included in the FT Share Information Services. Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 26 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system.

Series	Vol.	March	June	Sept.	Stock
D.P.L. 0	F.269	80	1.1		F.266.16
D.P.L. 1	F.270	10	1.1		F.270.00
D.P.L. 2	F.271	10	1.1		F.271.00
D.P.L. 3	F.272	10	1.1		F.272.00
D.P.L. 4	F.273	10	1.1		F.273.00
D.P.L. 5	F.274	10	1.1		F.274.00
D.P.L. 6	F.275	10	1.1		F.275.00
D.P.L. 7	F.276	10	1.1		F.276.00
D.P.L. 8	F.277	10	1.1		F.277.00
D.P.L. 9	F.278	10	1.1		F.278.00
D.P.L. 10	F.279	10	1.1		F.279.00
D.P.L. 11	F.280	10	1.1		F.280.00
D.P.L. 12	F.281	10	1.1		F.281.00
D.P.L. 13	F.282	10	1.1		F.282.00
D.P.L. 14	F.283	10	1.1		F.283.00
D.P.L. 15	F.284	10	1.1		F.284.00
D.P.L. 16	F.285	10	1.1		F.285.00
D.P.L. 17	F.286	10	1.1		F.286.00
D.P.L. 18	F.287	10	1.1		F.287.00
D.P.L. 19	F.288	10	1.1		F.288.00
D.P.L. 20	F.289	10	1.1		F.289.00
D.P.L. 21	F.290	10	1.1		F.290.00
D.P.L. 22	F.291	10	1.1		F.291.00
D.P.L. 23	F.292	10	1.1		F.292.00
D.P.L. 24	F.293	10	1.1		F.293.00
D.P.L. 25	F.294	10	1.1		F.294.00
D.P.L. 26	F.295	10	1.1		F.295.00
D.P.L. 27	F.296	10	1.1		F.296.00
D.P.L. 28	F.297	10	1.1		F.297.00
D.P.L. 29	F.298	10	1.1		F.298.00
D.P.L. 30	F.299	10	1.1		F.299.00
D.P.L. 31	F.300	10	1.1		F.300.00
D.P.L. 32	F.301	10	1.1		F.301.00
D.P.L. 33	F.302	10	1.1		F.302.00
D.P.L. 34	F.303	10	1.1		F.303.00
D.P.L. 35	F.304	10	1.1		F.304.00
D.P.L. 36	F.305	10	1.1		F.305.00
D.P.L. 37	F.306	10	1.1		F.306.00
D.P.L. 38	F.307	10	1.1		F.307.00
D.P.L. 39	F.308	10	1.1		F.308.00
D.P.L. 40	F.309	10	1.1		F.309.00
D.P.L. 41	F.310	10	1.1		F.310.00
D.P.L. 42	F.311	10	1.1		F.311.00
D.P.L. 43	F.312	10	1.1		F.312.00
D.P.L. 44	F.313	10	1.1		F.313.00
D.P.L. 45	F.314	10	1.1		F.314.00
D.P.L. 46	F.315	10	1.1		F.315.00
D.P.L. 47	F.316	10	1.1		F.316.00
D.P.L. 48	F.317	10	1.1		F.317.00
D.P.L. 49	F.318	10	1.1		F.318.00
D.P.L. 50	F.319	10	1.1		F.319.00
D.P.L. 51	F.320	10	1.1		F.320.00
D.P.L. 52	F.321	10	1.1		F.321.00
D.P.L. 53	F.322	10	1.1		F.322.00
D.P.L. 54	F.323	10	1.1		F.323.00
D.P.L. 55	F.324	10	1.1		F.324.00
D.P.L. 56	F.325	10	1.1		F.325.00
D.P.L. 57	F.326	10	1.1		F.326.00
D.P.L. 58	F.327	10	1.1		F.327.00
D.P.L. 59	F.328	10	1.1		F.328.00
D.P.L. 60	F.329	10	1.1		F.329.00
D.P.L. 61	F.330	10	1.1		F.330.00
D.P.L. 62	F.331	10	1.1		F.331.00
D.P.L. 63	F.332	10	1.1		F.332.00
D.P.L. 64	F.333	10	1.1		F.333.00
D.P.L. 65	F.334	10	1.1		F.334.00
D.P.L. 66	F.335	10	1.1		F.335.00
D.P.L. 67	F.336	10	1.1		F.336.00
D.P.L. 68	F.337	10	1.1		F.337.00
D.P.L. 69	F.338	10	1.1		F.338.00
D.P.L. 70	F.339	10	1.1		F.339.00
D.P.L. 71	F.340	10	1.1		F.340.00
D.P.L. 72	F.341	10	1.1		F.341.00
D.P.L. 73	F.342	10	1.1		F.342.00
D.P.L. 74	F.343	10	1.1		F.343.00
D.P.L. 75	F.344	10	1.1		F.344.00
D.P.L. 76	F.345	10	1.1		F.345.00
D.P.L. 77	F.346	10	1.1		F.346.00
D.P.L. 78	F.347	10	1.1		F.347.00
D.P.L. 79	F.348	10	1.1		F.348.00
D.P.L. 80	F.349	10	1.1		F.349.00
D.P.L. 81	F.350	10	1.1		F.350.00
D.P.L. 82	F.351	10	1.1		F.351.00
D.P.L. 83	F.352	10	1.1		F.352.00
D.P.L. 84	F.353	10	1.1		F.353.00
D.P.L. 85	F.354	10	1.1		F.354.00
D.P.L. 86	F.355	10	1.1		F.355.00
D.P.L. 87	F.356	10	1.1		F.356.00
D.P.L. 88	F.357	10	1.1		F.357.00
D.P.L. 89	F.358	10	1.1		F.358.00
D.P.L. 90	F.359	10	1.1		F.359.00
D.P.L. 91	F.360	10	1.1		F.360.00
D.P.L. 92	F.361	10	1.1		F.361.00
D.P.L. 93	F.362	10	1.1		F.362.00
D.P.L. 94	F.363	10	1.1		F.363.00
D.P.L. 95	F.364	10	1.1		F.364.00
D.P.L. 96	F.365	10	1.1		F.365.00
D.P.L. 97	F.366	10	1.1		F.366.00
D.P.L. 98	F.367	10	1.1		F.367.00
D.P.L. 99	F.368	10	1.1		F.368.00
D.P.L. 100	F.369	10	1.1		F.369.00
D.P.L. 101	F.370	10	1.1		F.370.00
D.P.L. 102	F.371	10	1.1		F.371.00
D.P.L. 103	F.372	10	1.1		F.372.00
D.P.L. 104	F.373	10	1.1		F.373.00
D.P.L. 105	F.374	10	1.1		F.374.00
D.P.L. 106	F.375	10	1.1		F.375.00
D.P.L. 107	F.376	10	1.1		F.376.00
D.P.L. 108	F.377	10	1.1		F.377.00
D.P.L. 109	F.378	10	1.1		F.378.00
D.P.L. 110	F.379	10	1.1		F.379.00
D.P.L. 111	F.380	10	1.1		F.380.00
D.P.L. 112	F.381	10	1.1		F.381.00
D.P.L. 113	F.382	10	1.1		F.382.00
D.P.L. 114	F.383	10	1.1		F.383.00
D.P.L. 115	F.384	10	1.1		F.384.00
D.P.L. 116	F.385	10	1.1		F.385.00
D.P.L. 117	F.386	10	1.1		F.386.00
D.P.L. 118	F.387	10	1.1		F.387.00
D.P.L. 119	F.388	10	1.1		F.388.00
D.P.L. 120	F.389	10	1.1		F.389.00
D.P.L. 121	F.390	10	1.1		F.390.00
D.P.L. 122	F.391	10	1.1		F.391.00
D.P.L. 123	F.392	10	1.1		F.392.00
D.P.L. 124	F.393	10	1.1		F.393.00
D.P.L. 125	F.394	10	1.1		F.394.00
D.P.L. 126	F.395	10	1.1		F.395.00
D.P.L. 127	F.396	10	1.1		F.396.00
D.P.L. 128	F.397	10	1.1		F.397.00
D.P.L. 129	F.398	10	1.1		F.398.00
D.P.L. 130	F.399	10	1.1		F.399.00
D.P.L. 131	F.400	10	1.1		F.400.00
D.P.L. 132	F.401	10	1.1		F.401.00
D.P.L. 133	F.402	10	1.1		F.402.00
D.P.L. 134	F.403	10	1.1		F.403.00
D.P.L. 135	F.404	10	1.1		F.404.00
D.P.L. 136	F.405	10	1.1		F.405.00
D.P.L. 137	F.406	10	1.1		F.406.00
D.P.L. 138	F.407	10	1.1		F.407.00
D.P.L. 139	F.408	10	1.1		F.408.00
D.P.L. 140	F.409	10	1.1		F.409.00
D.P.L. 141	F.410	10	1.1		F.410.00
D.P.L. 142	F.411	10	1.1		F.411.00
D.P.L. 143	F.412	10	1.1		F.412.00
D.P.L. 144	F.413	10	1.1		F.413.00
D.P.L. 145	F.414	10	1.1		F.414.00
D.P.L. 146	F.415	10	1.1		F.415.00
D.P.L. 147	F.416	10	1.1		F.416.00
D.P.L. 148	F.417	10	1.1		F.417.00
D.P.L. 149	F.418	10	1.1		F.418.00
D.P.L. 150	F.419	10	1.1		F.419.00
D.P.L. 151	F.420	10	1.1		F.420.00
D.P.L. 152	F.421	10	1.1		F.421.00
D.P.L. 153	F.422	10	1.1		F.422.00
D.P.L. 154	F.423	10	1.1		F.423.00
D.P.L. 155	F.424	10	1.1		F.424.00
D.P.L. 156	F.425	10	1.1		F.425.00
D.P.L. 157	F.426	10	1.1		F.426.00
D.P.L. 158	F.427	10	1.1		F.427.00
D.P.L. 159	F.428	10	1.1		F.428.00
D.P.L. 160	F.429	10	1.1		F.429.00
D.P.L. 161	F.430	10	1.1		F.430.00
D.P.L. 162	F.431	10	1.1		F.431.00
D.P.L. 163	F.432	10	1.1		F.432.00
D.P.L. 164	F.433	10	1.1		F.433.00
D.P.L. 165	F.434	10	1.1		F.434.00
D.P.L. 166	F.435	10	1.1		F.435.00
D.P.L. 167	F.436	10	1.1		F.436.00
D.P.L. 168	F.437	10	1.1		F.437.00
D.P.L. 169	F.438	10	1.1		F.438.00
D.P.L. 170	F.439	10	1.1		F.439.00
D.P.L. 171	F.440	10	1.1		F.440.00
D.P.L. 172	F.441	10	1.1		F.441.00
D.P.L. 173	F.442	10	1.1		F.442.00
D.P.L. 174	F.443	10	1.1		F.443.00
D.P.L. 175	F.444	10	1.1		F.444.00
D.P.L. 176	F.445	10	1.1		F.445.00
D.P.L. 177	F.446	10	1.1		F.446.00
D.P.L. 178	F.447	10	1.1		F.447.00
D.P.L. 179	F.448	10	1.1		F.448.00
D.P.L. 180	F.449	10	1.1		F.449.00
D.P.L. 181	F.450	10	1.1		F.450.00
D.P.L. 182	F.451	10	1.1		F.451.00
D.P.L. 183	F.452	10	1.1		F.452.00
D.P.L. 184	F.453	10	1.1		F.453.00
D.P.L. 185	F.454	10	1.1		F.454.00
D.P.L. 186	F.455	10	1.1		F.455.00
D.P.L. 187	F.456	10	1.1		F.456.00
D.P.L. 188	F.457	10	1.1		F.457.00
D.P.L. 189	F.458	10	1.1		F.458.00
D.P.L. 190	F.459	10	1.1		F.459.00
D.P.L. 191	F.460	10	1.1		F.460.00
D.P.L. 192	F.461	10	1.1		F.461.00
D.P.L. 193	F.462	10	1.1		F.462.00
D.P.L. 194	F.463	10	1.1		F.463.00
D.P.L. 195	F.464	10	1.1		F.464.00
D.P.L. 196	F.465	10	1.1		F.465.00
D.P.L. 197	F.466	10	1.1		F.466.00
D.P.L. 198	F.467	10	1.1		F.467.00
D.P.L. 199	F.468	10	1.1		F.468.00
D.P.L. 200	F.469	10	1.1		F.469.00
D.P.L. 201	F.470	10	1.1		F.470.00
D.P.L. 202	F.471	10	1.1		F.471.00
D.P.L. 203	F.472	10	1.1		F.472.00
D.P.L. 204	F.473	10	1.1		F.473.00
D.P.L. 205	F.474	10	1.1		F.474.00
D.P.L. 206	F.475	10	1.1		F.475.00
D.P.L. 207	F.476	10	1.1		F.476.00
D.P.L. 208	F.477	10	1.1		F.477.00
D.P.L. 209	F.478	10	1.1		F.478.00
D.P.L. 210	F.479	10	1.1		F.479.00
D.P.L					

Zanussi forecasts loss of L100bn

BY JAMES SUTTON IN ROME

ZANUSSI, the Italian company which is Europe's biggest producer of "white goods"—home electrical products—has firmly denied reports circulating in Italy that it is in financial difficulties.

It has been revealed that the group made a "real" loss of about L100bn (£71.5m) last year on sales of about L1,600bn, before taking into account the effect of stock revaluation. Its level of indebtedness, it added, now stands at about L800bn.

These figures were given in an interview by Sig Lamberto Mazza, the company's managing director. He said that the group was suffering because of continuing delays by the Government in advancing funds for the revival of the Italian "brown" goods—consumer electronic products—industry.

"Zanussi can't be considered done for," said Sig Mazza. "I deny that the group is in diffi-

culties. The Zanussi miracle, stopped by three main elements—the crisis of the electronics sector, inflation and the rise in interest rates—will soon be on its way again."

The company, which is based at Pordenone in north-west Italy, intends to cut its workforce, currently standing at about 30,000, by about 3,000, and to reduce its debt from L800bn to L600bn.

As well as the expected Government funding for the brown goods industry, it says it is also entitled to about L150bn from the regional government of Friuli, in which it is situated, out of a fund intended for the revival of economic activity after the 1977 earthquake there.

Despite having one-seventh of the European market for fridges, freezers and washing machines, and a good product image, Zanussi has been suffer-

ing since 1980 from the stagnation in the white goods sector in Europe and the drastic pricing of margins.

But the main cause of operating losses last year was the poor performance of its electronic goods subsidiary, Ducati Elettronica. Although Zanussi is by far the biggest Italian maker of brown goods, it only has a small market share and cannot finance the heavy investment necessary.

Last year the Government allocated L240bn to assist the whole Italian brown goods sector, through a holding company called Rel. The majority of these funds would go to Zanussi, but despite promises they have not been disbursed and their value is being eroded by inflation.

Underlying these problems is the fact that the Zanussi group, which is 90 per cent owned by the Zanussi family, and is not publicly quoted, has only

L80bn of equity capital and has consistently financed itself with bank loans. Italian prime lending rate currently stands at 20 per cent. Some 9.6 per cent of the equity belongs to the Austrian company Voest Alpine.

Sig Mazza said that the Zanussi group accounts should close around break-even point for 1982, thanks to the revaluation of stocks which will be permitted under new tax legislation currently before the Senate. The legislation should be passed in a few weeks and will be applied to the 1982 accounts of Italian companies.

The company has not given an equivalent figure for 1981 for the expected loss of about L100bn for 1982. In 1981 the parent company, Zanussi Spa, made profits of only L3.6bn, on sales of L836bn. Group medium and long term indebtedness in 1981 stood at L636bn.

Parent to bid for balance of Demag

By Jonathan Carr in Bonn

Mannesmann, the West German engineering concern, proposes to take over the whole of the share capital of Demag, the industrial plant and machine tool manufacturer in which it already has a 91.8 per cent stake.

The announcement yesterday coincided with release of a Demag shareholders' letter reporting a fall in earnings last year—by an unspecified amount—and a drop in incoming orders of 22 per cent to DM 2.7bn (\$1.1bn).

Mannesmann is offering one of its shares for one Demag share, plus DM 15 cash a share. The nominal share capital of Demag totals DM 290m. Mannesmann's shares closed yesterday on the Frankfurt exchange at DM 155.50—a rise of DM 1 on the day. Demag trading was suspended pending the parent company announcement. On Thursday they closed at DM 141.

Demag net profits for 1981 were down to DM 13m after DM 29m in 1980.

Demag now reveals that orders from abroad last year fell 34 per cent to DM 1.8bn; those at home were down 12 per cent to DM 875m. However, sales were up by 11 per cent to DM 3.2bn. Domestic turnover advanced 27 per cent to DM 1.3bn.

Foreign sales rose by only 3 per cent to DM 2.1bn.

German Babcock loss

DEUTSCHE BABCOCK, the West German engineering and power station group, confirmed yesterday that it would report a loss of DM 389m (€56m) for the financial year ended last September. This would compare with a DM 23m profit in the previous financial year, writes John Davis in Frankfurt.

News Corporation ahead after strong UK turnaround

BY OUR FINANCIAL STAFF

NEWS CORPORATION, the Australian-based publishing group headed by Mr Rupert Murdoch, has reported a sharp increase in interim profits, partly because of a solid return to the black by its UK operations.

The group's net profits for the six months ended December were \$831.54m (U.S.\$330m), up 75 per cent from \$473.07m a year earlier. Turnover rose by 17 per cent from \$867.44m to \$1,013.77m. The dividend was unchanged, however, at 5.5

cents a share.

The improvements abroad were offset by a decline in Australian profits. News Corporation said. The total net profit was struck after tax of \$514.7m (\$315.4m a year earlier), depreciation of \$510.8m (\$309.9m), and minorities of \$857.444 (\$508,000) but before an extraordinary loss of \$27.16m from currency conversion factors (\$35.3m a year earlier).

Lex. Back Page

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SGB boosts profits by 12.7%

BY OUR FINANCIAL STAFF

SOCIETE GENERALE DE BANQUE, Belgium's largest banking group, has boosted net profits for 1982 by 12.7 per cent to Bfr 2.21bn (\$463m) and recommended maintaining the dividend on old shares at an unchanged Bfr 225.

SGB has also proposed setting the dividend on the 1.2m shares created in 1982 to take advantage of new tax laws at Bfr 131.25.

M Eric de Villegas de Clercamp, the bank's president, said the bank had no intention of further boosting its capital in 1983. However, he said the

bank was looking into possibilities to allow for the version of 1979 bonds into shares.

M de Villegas reported a non-consolidated balance sheet increase of 14.1 per cent to Bfr 1.280bn and a 15 per cent increase of customers' deposits and cash certificate subscriptions to Bfr 686bn. Bankers' deposits rose Bfr 53bn to Bfr 481bn.

Total credit facilities granted to the private sector and international bodies only rose by Bfr 32.3bn, or 5.1 per cent, in 1983. However, he said the

Bfr 63.3bn increase the previous year.

In contrast, facilities granted to the Belgian public sector rose by Bfr 78bn, or 26.7 per cent, to a total of Bfr 370.3bn. This compares with a Bfr 36.2bn rise the previous year. At de Villegas said, gross profits in 1982 amounted to Bfr 8.9bn, up 31.8 per cent from the previous year. However, allocations to provision accounts and for various asset depreciations also rose considerably by 57.4 per cent to Bfr 3.95bn, the president added.

Higher lending margins lift ABN

BY OUR FINANCIAL STAFF

ALGEMENE BANK Nederland, the largest Dutch bank, yesterday reported a 17.2 per cent increase in profit before provisions and taxation to Fl 1.17bn (\$439m) from Fl 1bn in 1981.

As a result of what ABN describes as a further deterioration of the economic situation at home and abroad, however,

provisions for general contingencies have once again been substantially increased, from Fl 495m in 1981 to Fl 648m last year.

After allowing for taxation, minority interests and the previous year's undistributed profits, the bank achieved a net profit of Fl 358m, up 5.1 per cent from 1981's Fl 341.6m.

The bank attributed its increased profitability to higher lending margins and to the improvement in the stock market resulting from low interest rates.

Net profit per nominal Fl 100 share rose slightly from Fl 46.55 to Fl 46.8, on a share capital increased by 4.8 per cent.

Issue for AT & T could bring in record \$1.17bn

BY PAUL TAYLOR IN NEW YORK

AMERICAN TELEPHONE and Telegraph, the U.S. telecommunications group, yesterday detailed its next mammoth share issue which could set a new equity issue record.

AT & T said it plans to offer 16m shares and is again providing underwriters with an option to sell up to a further 1.6m shares should the issue be oversubscribed.

If the full 17.6m shares were sold it would raise about \$1.17bn based on the current share price of \$68. This would top AT & T's last issue in December when the company raised \$1.06bn through the issue of 17.7m shares including 1.2m additional shares authorized because the initial 16.5m issue was oversubscribed.

The latest issue, which AT & T said will be made "in the near future" and which the company expects to be its

Sharp setback at Wardley

BY OUR FINANCIAL STAFF

PROFITS DECLINED sharply at Wardley, the merchant banking subsidiary of Hongkong and Shanghai Banking Corporation, in the year ended December. Net profits fell to HK\$164m (U.S.\$24.8m) from HK\$201m a year earlier.

Wardley said that "prudent provisions have been made in respect of a number of local advances. Wardley's parent has also undertaken to hold Wardley covered against certain accounts."

The merchant bank has been deeply caught up in the precipitous fall in the Hong Kong real estate and shipping sectors, acting as an advisor on a number of major debt restructurings, such as Eda and Carrian, two failed property companies.

The results announcement made no mention of a dividend although Wardley made a total payout of HK\$135m a year earlier. Total assets at year end were HK\$20.5bn against HK\$16.3bn at December, 1981. Funds managed by Wardley grew in the year to more than U.S.\$2.5bn.

Lex. Back Page

Solid growth at Heineken

HEINEKEN, the Dutch brewery group, has announced a 27.2 per cent increase in net profits from 1982 to Fl153.2m (\$57.1m) from Fl120.4m, on sales which rose 18.6 per cent to Fl4.3bn (\$1.57bn) from Fl3.6bn in 1981. Net profit per Fl25 nominal share rose to Fl10.60 from Fl8.33, writes our Financial Staff.

The board will propose an unchanged dividend of Fl8.50 for the full year. Shareholders will also be asked to approve a one-for-three scrip issue

AUTHORISED UNIT TRUSTS

13 City Street, London EC4A 3DF. Tel: 01-256 1833

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INSURANCE & OVERSEAS MANAGED FUNDS

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INSURANCE & OVER

London & Lancashire & North. Mtd. Assur. Ltd.		Property Growth Assur. Co. Ltd.	
129 Glasgow, London, W1C 2NF. 01-404 6793		Leam Road, Croydon CR9 1LU. 01-490	
Assets £6.5		Property	
Mortgage £1.4		Property (A)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (B)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (C)	
Assets £6.5		Property (D)	
Mortgage £1.4		Property (E)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (F)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (G)	
Assets £6.5		Property (H)	
Mortgage £1.4		Property (I)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (J)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (K)	
Assets £6.5		Property (L)	
Mortgage £1.4		Property (M)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (N)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (O)	
Assets £6.5		Property (P)	
Mortgage £1.4		Property (Q)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (R)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (S)	
Assets £6.5		Property (T)	
Mortgage £1.4		Property (U)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (V)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (W)	
Assets £6.5		Property (X)	
Mortgage £1.4		Property (Y)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (Z)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AA)	
Assets £6.5		Property (AB)	
Mortgage £1.4		Property (AC)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AD)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AE)	
Assets £6.5		Property (AF)	
Mortgage £1.4		Property (AG)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AH)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AI)	
Assets £6.5		Property (AJ)	
Mortgage £1.4		Property (AK)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AL)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AM)	
Assets £6.5		Property (AN)	
Mortgage £1.4		Property (AO)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AP)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AQ)	
Assets £6.5		Property (AR)	
Mortgage £1.4		Property (AS)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AT)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AU)	
Assets £6.5		Property (AV)	
Mortgage £1.4		Property (AW)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AX)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AY)	
Assets £6.5		Property (AZ)	
Mortgage £1.4		Property (BA)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (BB)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (BC)	
Assets £6.5		Property (BD)	
Mortgage £1.4		Property (BE)	

London & Lancashire & North. Mtd. Assur. Ltd.		Property Growth Assur. Co. Ltd.	
129 Glasgow, London, W1C 2NF. 01-404 6793		Leam Road, Croydon CR9 1LU. 01-490	
Assets £6.5		Property	
Mortgage £1.4		Property (A)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (B)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (C)	
Assets £6.5		Property (D)	
Mortgage £1.4		Property (E)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (F)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (G)	
Assets £6.5		Property (H)	
Mortgage £1.4		Property (I)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (J)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (K)	
Assets £6.5		Property (L)	
Mortgage £1.4		Property (M)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (N)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (O)	
Assets £6.5		Property (P)	
Mortgage £1.4		Property (Q)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (R)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (S)	
Assets £6.5		Property (T)	
Mortgage £1.4		Property (U)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (V)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (W)	
Assets £6.5		Property (X)	
Mortgage £1.4		Property (Y)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (Z)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AA)	
Assets £6.5		Property (AB)	
Mortgage £1.4		Property (AC)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AD)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AE)	
Assets £6.5		Property (AF)	
Mortgage £1.4		Property (AG)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AH)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AI)	
Assets £6.5		Property (AJ)	
Mortgage £1.4		Property (AK)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AL)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AM)	
Assets £6.5		Property (AN)	
Mortgage £1.4		Property (AO)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AP)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AQ)	
Assets £6.5		Property (AR)	
Mortgage £1.4		Property (AS)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AT)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AU)	
Assets £6.5		Property (AV)	
Mortgage £1.4		Property (AW)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AX)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AY)	
Assets £6.5		Property (AZ)	
Mortgage £1.4		Property (BA)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (BB)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (BC)	
Assets £6.5		Property (BD)	
Mortgage £1.4		Property (BE)	

London & Lancashire & North. Mtd. Assur. Ltd.		Property Growth Assur. Co. Ltd.	
129 Glasgow, London, W1C 2NF. 01-404 6793		Leam Road, Croydon CR9 1LU. 01-490	
Assets £6.5		Property	
Mortgage £1.4		Property (A)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (B)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (C)	
Assets £6.5		Property (D)	
Mortgage £1.4		Property (E)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (F)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (G)	
Assets £6.5		Property (H)	
Mortgage £1.4		Property (I)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (J)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (K)	
Assets £6.5		Property (L)	
Mortgage £1.4		Property (M)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (N)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (O)	
Assets £6.5		Property (P)	
Mortgage £1.4		Property (Q)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (R)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (S)	
Assets £6.5		Property (T)	
Mortgage £1.4		Property (U)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (V)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (W)	
Assets £6.5		Property (X)	
Mortgage £1.4		Property (Y)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (Z)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AA)	
Assets £6.5		Property (AB)	
Mortgage £1.4		Property (AC)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AD)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AE)	
Assets £6.5		Property (AF)	
Mortgage £1.4		Property (AG)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AH)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AI)	
Assets £6.5		Property (AJ)	
Mortgage £1.4		Property (AK)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AL)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AM)	
Assets £6.5		Property (AN)	
Mortgage £1.4		Property (AO)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AP)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AQ)	
Assets £6.5		Property (AR)	
Mortgage £1.4		Property (AS)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AT)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AU)	
Assets £6.5		Property (AV)	
Mortgage £1.4		Property (AW)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AX)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AY)	
Assets £6.5		Property (AZ)	
Mortgage £1.4		Property (BA)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (BB)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (BC)	
Assets £6.5		Property (BD)	
Mortgage £1.4		Property (BE)	

London & Lancashire & North. Mtd. Assur. Ltd.		Property Growth Assur. Co. Ltd.	
129 Glasgow, London, W1C 2NF. 01-404 6793		Leam Road, Croydon CR9 1LU. 01-490	
Assets £6.5		Property	
Mortgage £1.4		Property (A)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (B)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (C)	
Assets £6.5		Property (D)	
Mortgage £1.4		Property (E)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (F)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (G)	
Assets £6.5		Property (H)	
Mortgage £1.4		Property (I)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (J)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (K)	
Assets £6.5		Property (L)	
Mortgage £1.4		Property (M)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (N)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (O)	
Assets £6.5		Property (P)	
Mortgage £1.4		Property (Q)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (R)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (S)	
Assets £6.5		Property (T)	
Mortgage £1.4		Property (U)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (V)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (W)	
Assets £6.5		Property (X)	
Mortgage £1.4		Property (Y)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (Z)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AA)	
Assets £6.5		Property (AB)	
Mortgage £1.4		Property (AC)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AD)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AE)	
Assets £6.5		Property (AF)	
Mortgage £1.4		Property (AG)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AH)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AI)	
Assets £6.5		Property (AJ)	
Mortgage £1.4		Property (AK)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AL)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AM)	
Assets £6.5		Property (AN)	
Mortgage £1.4		Property (AO)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AP)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AQ)	
Assets £6.5		Property (AR)	
Mortgage £1.4		Property (AS)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AT)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AU)	
Assets £6.5		Property (AV)	
Mortgage £1.4		Property (AW)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AX)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AY)	
Assets £6.5		Property (AZ)	
Mortgage £1.4		Property (BA)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (BB)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (BC)	
Assets £6.5		Property (BD)	
Mortgage £1.4		Property (BE)	

London & Lancashire & North. Mtd. Assur. Ltd.		Property Growth Assur. Co. Ltd.	
129 Glasgow, London, W1C 2NF. 01-404 6793		Leam Road, Croydon CR9 1LU. 01-490	
Assets £6.5		Property	
Mortgage £1.4		Property (A)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (B)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (C)	
Assets £6.5		Property (D)	
Mortgage £1.4		Property (E)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (F)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (G)	
Assets £6.5		Property (H)	
Mortgage £1.4		Property (I)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (J)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (K)	
Assets £6.5		Property (L)	
Mortgage £1.4		Property (M)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (N)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (O)	
Assets £6.5		Property (P)	
Mortgage £1.4		Property (Q)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (R)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (S)	
Assets £6.5		Property (T)	
Mortgage £1.4		Property (U)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (V)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (W)	
Assets £6.5		Property (X)	
Mortgage £1.4		Property (Y)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (Z)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AA)	
Assets £6.5		Property (AB)	
Mortgage £1.4		Property (AC)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AD)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AE)	
Assets £6.5		Property (AF)	
Mortgage £1.4		Property (AG)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AH)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AI)	
Assets £6.5		Property (AJ)	
Mortgage £1.4		Property (AK)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AL)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AM)	
Assets £6.5		Property (AN)	
Mortgage £1.4		Property (AO)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AP)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AQ)	
Assets £6.5		Property (AR)	
Mortgage £1.4		Property (AS)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AT)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AU)	
Assets £6.5		Property (AV)	
Mortgage £1.4		Property (AW)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (AX)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (AY)	
Assets £6.5		Property (AZ)	
Mortgage £1.4		Property (BA)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (BB)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (BC)	
Assets £6.5		Property (BD)	
Mortgage £1.4		Property (BE)	

London & Lancashire & North. Mtd. Assur. Ltd.		Property Growth Assur. Co. Ltd.	
129 Glasgow, London, W1C 2NF. 01-404 6793		Leam Road, Croydon CR9 1LU. 01-490	
Assets £6.5		Property	
Mortgage £1.4		Property (A)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (B)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (C)	
Assets £6.5		Property (D)	
Mortgage £1.4		Property (E)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (F)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (G)	
Assets £6.5		Property (H)	
Mortgage £1.4		Property (I)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (J)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (K)	
Assets £6.5		Property (L)	
Mortgage £1.4		Property (M)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (N)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (O)	
Assets £6.5		Property (P)	
Mortgage £1.4		Property (Q)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (R)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (S)	
Assets £6.5		Property (T)	
Mortgage £1.4		Property (U)	
London & Lancashire & North. Mtd. Assur. Co. Ltd.		Property (V)	
129 Glasgow, London, W1C 2NF. 01-404 6793		Property (W)	

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NOTES

Prices are in pence unless otherwise indicated and those designated S with no prefix refer to U.S. values. Yields % shown in last column allow for all savings expenses; a third price includes all expenses. Today's average is based on reference rate. A. Estimated. P. Today's opening price. D. Distribution free of UK taxes. G. Periodic premium insurance plan. S. Single premium insurance plan. Prices include all expenses except agent's commission. Other than above all expenses if bought through insurers. 2. Previous day's price. 3. Germany rates. 4. Second-hand. 5. Yield before Jersey tax. 6. Cash-in-hand. 7. Only available in charitable banks. 8. Yield column shows unweighted rate of NAV increases.

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FT LONDON SHARE INFORMATION SERVICE

LOANS—Continued

1982/83	High	Low	Stock	Price	Yield	Div	Yield
100%	95.0	94.0	FFH 100% 1983	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1984	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1985	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1986	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1987	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1988	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1989	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1990	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1991	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1992	100	13.72	11.30	

BRITISH FUNDS

1982/83	High	Low	Stock	Price	Yield	Div	Yield
100%	95.0	94.0	FFH 100% 1983	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1984	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1985	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1986	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1987	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1988	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1989	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1990	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1991	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1992	100	13.72	11.30	

FOREIGN BONDS & RAILS

1982/83	High	Low	Stock	Price	Yield	Div	Yield
100%	95.0	94.0	FFH 100% 1983	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1984	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1985	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1986	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1987	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1988	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1989	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1990	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1991	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1992	100	13.72	11.30	

AMERICANS

1982/83	High	Low	Stock	Price	Yield	Div	Yield
100%	95.0	94.0	FFH 100% 1983	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1984	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1985	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1986	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1987	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1988	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1989	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1990	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1991	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1992	100	13.72	11.30	

UNDATED

1982/83	High	Low	Stock	Price	Yield	Div	Yield
100%	95.0	94.0	FFH 100% 1983	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1984	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1985	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1986	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1987	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1988	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1989	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1990	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1991	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1992	100	13.72	11.30	

INT. BANK AND O'SEAS

1982/83	High	Low	Stock	Price	Yield	Div	Yield
100%	95.0	94.0	FFH 100% 1983	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1984	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1985	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1986	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1987	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1988	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1989	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1990	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1991	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1992	100	13.72	11.30	

CORPORATION LOANS

1982/83	High	Low	Stock	Price	Yield	Div	Yield
100%	95.0	94.0	FFH 100% 1983	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1984	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1985	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1986	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1987	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1988	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1989	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1990	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1991	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1992	100	13.72	11.30	

COMMONWEALTH AND AFRICAN LOANS

1982/83	High	Low	Stock	Price	Yield	Div	Yield
100%	95.0	94.0	FFH 100% 1983	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1984	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1985	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1986	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1987	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1988	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1989	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1990	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1991	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1992	100	13.72	11.30	

LOANS

1982/83	High	Low	Stock	Price	Yield	Div	Yield
100%	95.0	94.0	FFH 100% 1983	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1984	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1985	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1986	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1987	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1988	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1989	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1990	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1991	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1992	100	13.72	11.30	

BANKS, H.P. & LEASING

1982/83	High	Low	Stock	Price	Yield	Div	Yield
100%	95.0	94.0	FFH 100% 1983	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1984	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1985	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1986	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1987	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1988	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1989	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1990	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1991	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1992	100	13.72	11.30	

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BANKS—Continued

1982/83	High	Low	Stock	Price	Yield	Div	Yield
100%	95.0	94.0	FFH 100% 1983	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1984	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1985	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1986	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1987	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1988	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1989	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1990	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1991	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1992	100	13.72	11.30	

BEERS, WINES AND SPIRITS

1982/83	High	Low	Stock	Price	Yield	Div	Yield
100%	95.0	94.0	FFH 100% 1983	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1984	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1985	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1986	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1987	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1988	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1989	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1990	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1991	100	13.72	11.30	
100%	95.0	94.0	FFH 100% 1992	100	13.72	11.30	

BUILDING INDUSTRY, TIMBER AND ROADS

146	66	Allen Lyons	131	15.5	2.0	5.30	14.6
147	66	Est. Del. 100%	138	12.75	2.4	2.81	7.2
148	66	Est. Del. 100%	140	10.1	3.0	2.81	7.2
149	66	Est. Del. 100%	141	10.1	3.0	2.81	7.2
150	66	Est. Del. 100%	142	10.1	3.0	2.81	7.2
151	66	Est. Del. 100%	143	10.1	3.0	2.81	7.2
152	66	Est. Del. 100%	144	10.1	3.0	2.81	7.2
153	66	Est. Del. 100%	145	10.1	3.0	2.81	7.2
154	66	Est. Del. 100%	146	10.1	3.0	2.81	7.2
155	66	Est. Del. 100%	147	10.1	3.0	2.81	7.2
156	66	Est. Del. 100%	148	10.1	3.0	2.81	7.2
157	66	Est. Del. 100%	149	10.1	3.0	2.81	7.2
158	66	Est. Del. 100%	150	10.1	3.0	2.81	7.2
159	66	Est. Del. 100%	151	10.1	3.0	2.81	7.2
160	66	Est. Del. 100%	152	10.1	3.0	2.81	7.2
161	66	Est. Del. 100%	153	10.1	3.0	2.81	7.2
162	66	Est. Del. 100%	154	10.1	3.0	2.81	7.2
163	66	Est. Del. 100%	155	10.1	3.0	2.81	7.2
164	66	Est. Del. 100%	156	10.1	3.0	2.81	7.2
165	66	Est. Del. 100%	157	10.1	3.0	2.81	7.2
166	66	Est. Del. 100%	158	10.1	3.0	2.81	7.2
167	66	Est. Del. 100%	159	10.1	3.0	2.81	7.2
168	66	Est. Del. 100%	160	10.1	3.0	2.81	7.2
169	66	Est. Del. 100%	161	10.1	3.0	2.81	7.2
170	66	Est. Del. 100%	162	10.1	3.0	2.81	7.2
171	66	Est. Del. 100%	163	10.1	3.0	2.81	7.2
172	66	Est. Del. 100%	164	10.1	3.0	2.81	7.2
173	66	Est. Del. 100%	165	10.1	3.0	2.81	7.2
174	66	Est. Del. 100%	166	10.1	3.0	2.81	7.2
175	66	Est. Del. 100%	167	10.1	3.0	2.81	7.2
176	66	Est. Del. 100%	168	10.1	3.0	2.81	7.2
177	66	Est. Del. 100%	169	10.1	3.0	2.81	7.2
178	66	Est. Del. 100%	170	10.1	3.0	2.81	7.2
179	66	Est. Del. 100%	171	10.1	3.0	2.81	7.2
180	66	Est. Del. 100%	172	10.1	3.0	2.81	7.2
181	66	Est. Del. 100%	173	10.1	3.0	2.81	7.2
182	66	Est. Del. 100%	174	10.1	3.0	2.81	7.2
183	66	Est. Del. 100%	175	10.1	3.0	2.81	7.2
184	66	Est. Del. 100%	176	10.1	3.0	2.81	7.2
185	66	Est. Del. 100%	177	10.1	3.0	2.81	7.2
186	66	Est. Del. 100%	178	10.1	3.0	2.81	7.2
187	66	Est. Del. 100%	179	10.1	3.0	2.81	7.2
188	66	Est. Del. 100%	180	10.1	3.0	2.81	7.2
189	66	Est. Del. 100%	181	10.1	3.0	2.81	7.2
190	66	Est. Del. 100%	182	10.1	3.0	2.81	7.2
191	66	Est. Del. 100%	183	10.1	3.0	2.81	7.2
192	66	Est. Del. 100%	184	10.1	3.0	2.81	7.2
193	66	Est. Del. 100%	185	10.1	3.0	2.81	7.2
194	66	Est. Del. 100%	186	10.1	3.0	2.81	7.2
195	66	Est. Del. 100%	187	10.1	3.0	2.81	7.2
196	66	Est. Del. 100%	188	10.1	3.0	2.81	7.2
197	66	Est. Del. 100%	189	10.1	3.0	2.81	7.2
198	66	Est. Del. 100%	190	10.1	3.0	2.81	7.2
199	66	Est. Del. 100%	191	10.1	3.0	2.81	7.2
200	66	Est. Del. 100%	192	10.1	3.0	2.81	7.2
201	66	Est. Del. 100%	193	10.1	3.0	2.81	7.2
202	66	Est. Del. 100%	194	10.1	3.0	2.81	7.2
203	66	Est. Del. 100%	195	10.1	3.0	2.81	7.2
204	66	Est. Del. 100%	196	10.1	3.0	2.81	7.2
205	66	Est. Del. 100%	197	10.1	3.0	2.81	7.2
206	66	Est. Del. 100%	198	10.1	3.0	2.81	7.2
207	66	Est. Del. 100%	199	10.1	3.0	2.81	7.2
208	66	Est. Del. 100%	200	10.1	3.0	2.81	7.2
209	66	Est. Del. 100%	201	10.1	3.0	2.81	7.2
210	66	Est. Del. 100%	202	10.1	3.0	2.81	7.2
211	66	Est. Del. 100%	203	10.1	3.0	2.81	7.2
212	66	Est. Del. 100%	204	10.1	3.0	2.81	7.2
213	66	Est. Del. 100%	205	10.1	3.0	2.81	7.2
214	66	Est. Del. 100%	206	10.1	3.0	2.81	7.2
215	66	Est. Del. 100%	207	10.1	3.0	2.81	7.2
216	66	Est. Del. 100%	208	10.1	3.0	2.81	7.2
217	66	Est. Del. 100%	209	10.1	3.0	2.81	7.2
218	66	Est. Del. 100%	210	10.1	3.0	2.81	7.2
219	66	Est. Del. 100%	211	10.1	3.0	2.81	7.2
220	66	Est. Del. 100%	212	10.1	3.0	2.81	7.2
221	66	Est. Del. 100%	213	10.1	3.0	2.81	7.2
222	66	Est. Del. 100%	214	10.1	3.0	2.81	7.2
223	66	Est. Del. 100%	215	10.1	3.0	2.81	7.2
224	66	Est. Del. 100%	216	10.1	3.0	2.81	7.2
225	66	Est. Del. 100%	217	10.1	3.0	2.81	7.2
226	66	Est. Del. 100%	218	10.1	3.0	2.81	7.2
227	66	Est. Del. 100%	219	10.1	3.0	2.81	7.2
228	66	Est. Del. 100%	220	10.1	3.0	2.81	7.2
229	66	Est. Del. 100%	221	10.1	3.0	2.81	7.2
230	66	Est. Del. 100%	222	10.1	3.0	2.81	7.2
231	66	Est. Del. 100%	223	10.1	3.0	2.81	7.2
232	66	Est. Del. 100%	224	10.1	3.0	2.81	7.2
233	66	Est. Del. 100%	225	10.1	3.0	2.81	7.2
234	66	Est. Del. 100%	226	10.1	3.0	2.81	7.2
235	66	Est. Del. 100%	227	10.1	3.0	2.81	7.2
236	66	Est. Del. 100%	228	10.1	3.0	2.81	7.2
237	66	Est. Del. 100%	229	10.1	3.0	2.81	7.2
238	66	Est. Del. 100%	230	10.1	3.0	2.81	7.2
239	66	Est. Del. 100%	231	10.1	3.0	2.81	7.2
240	66	Est. Del. 100%	232	10.1	3.0	2.81	7.2
241	66	Est. Del. 100%	233	10.1	3.0	2.81	7.2
242	66	Est. Del. 100%	234	10.1	3.0	2.81	7.2
243	66	Est. Del. 100%	235	10.1	3.0	2.81	7.2
244	66	Est. Del. 100%	236	10.1	3.0	2.81	7.2
245	66	Est. Del. 100%	237	10.1	3.0	2.81	7.2
246	66	Est. Del. 100%	238	10.1	3.0	2.81	7.2
247	66	Est. Del. 100%	239	10.1	3.0	2.81	7.2
248	66	Est. Del. 100%	240	10.1	3.0	2.81	7.2
249	66	Est. Del. 100%	241	10.1	3.0	2.81	7.2
250	66	Est. Del. 100%	242	10.1	3.0	2.81	7.2
251	66	Est. Del. 100%	243	10.1	3.0	2.81	7.2
252	66	Est. Del. 100%	244	10.1	3.0	2.81	7.2
253	66	Est. Del. 100%	245	10.1	3.0	2.81	7.2
254	66	Est. Del. 100%	246	10.1	3.0	2.81	7.2
255	66	Est. Del. 100%	247	10.1	3.0	2.81	7.2
256	66	Est. Del. 100%	248	10.1	3.0	2.81	7.2
257	66	Est. Del. 100%	249	10.1	3.0	2.81	7.2
258	66	Est. Del. 100%	250	10.1	3.0	2.81	7.2
259	66	Est. Del. 100%	251	10.1	3.0	2.81	7.2
260	66	Est. Del. 100%	252	10.1	3.0	2.81	7.2
261	66	Est. Del. 100%	253	10.1	3.0	2.81	7.2
262	66	Est. Del. 100%	254	10.1	3.0	2.81	7.2
263	66	Est. Del. 100%	255	10.1	3.0	2.81	7.2
264	66	Est. Del. 100%	256	10.1	3.0	2.81	7.2
265	66	Est. Del. 100%	257	10.1	3.0	2.81	7.2
266	66	Est. Del. 100%	258	10.1	3.0	2.81	7.2
267	66	Est. Del. 100%	259	10.1	3.0	2.81	7.2
268	66	Est. Del. 100%	260	10.1	3.0	2.81	7.2
269	66	Est. Del. 100%	261	10.1	3.0	2.81	7.2
270	66	Est. Del. 100%	262	10.1	3.0	2.81	7.2
271	66	Est. Del. 100%	263	10.1	3.0	2.81	7.2
272	66	Est. Del. 100%	264	10.1	3.0	2.81	7.2
273	66	Est. Del. 100%	265	10.1	3.0	2.81	7.2
274	66	Est. Del. 100%	266	10.1	3.0	2.81	7.2
275	66	Est. Del. 100%	267	10.1	3.0	2.81	7.2
276	66	Est. Del. 100%	268	10.1	3.0	2.81	7.2
277	66	Est. Del. 100%	269	10.1	3.0	2.81	7.2
278	66	Est. Del. 100%	270	10.1	3.0	2.81	7.2
279	66	Est. Del. 100%	271	10.1	3.0	2.81	7.2
280	66	Est. Del. 100%	272	10.1	3.0	2.81	7.2
281	66	Est. Del. 100%	273	10.1	3.0	2.81	7.2
282	66	Est. Del. 100%	274	10.1	3.0	2.81	7.2
283	66	Est. Del. 100%	275	10.1	3.0	2.81	7.2
284	66	Est. Del. 100%	276	10.1	3.0	2.81	7.2
285	66	Est. Del. 100%	277	10.1	3.0	2.81	7.2
286	66	Est. Del. 100%	278	10.1	3.0	2.81	7.2
287	66	Est. Del. 100%	279	10.1	3.0	2.81	7.2
288	66	Est. Del. 100%	280	10.1	3.0	2.81	7.2
289	66	Est. Del. 100%	281	10.1	3.0	2.81	7.2
290	66	Est. Del. 100%	282	10.1	3.0	2.81	7.2
291	66	Est. Del. 100%	283	10.1	3.0	2.81	7.2
292	66	Est. Del. 100%	284	10.1	3.0	2.81	7.2
293	66	Est. Del. 100%	285	10.1	3.0	2.81	7.2
294	66	Est. Del. 100%	286	10.1	3.0	2.81	7.2
295	66	Est. Del. 100%	287	10.1	3.0	2.81	7.2
296	66	Est. Del. 100%	288	10.1	3.0	2.81	7.2
297	66	Est. Del. 100%	289	10.1	3.0	2.81	7.2
298	66	Est. Del. 100%	290	10.1	3.0	2.81	7.2
299	66	Est. Del. 100%	291	10.1	3.0	2.81	7.2
300	66	Est. Del. 100%	292	10.1	3.0	2.81	7.2
301	66	Est. Del. 100%	293	10.1	3.0	2.81	7.2
302	66	Est. Del. 100%	294	10.1	3.0	2.81	7.2
303	66	Est. Del. 100%	295	10.1	3.0	2.81	7.2
304	66	Est. Del. 100%	296	10.1	3.0	2.81	7.2
305	66	Est. Del. 100%	297	10.1	3.0	2.81	7.2
306	66	Est. Del. 100%	298	10.1	3.0	2.81	7.2
307	66	Est. Del. 100%	299	10.1	3.0	2.81	7.2
308	66	Est. Del. 100%	300	10.1	3.0	2.81	7.2
309	66	Est. Del. 100%	301	10.1	3.0	2.81	7.2
310	66	Est. Del. 100%	302	10.1	3.0	2.81	7.2
311	66	Est. Del. 100%	303	10.1	3.0	2.81	7.2
312	66	Est. Del. 100%	304	10.1	3.0	2.81	7.2
313	66	Est. Del. 100%</					

OIL AND GAS—Continued

[illegible]

NOTES

otherwise indicated, prices and net dividends are in pence and
 inclusions are 25p. Estimated price/earnings ratios and covers are
 on latest annual reports and accounts and, where possible, are
 on half-yearly figures. P/E's are calculated on "net"
 after taxes, earnings per share being computed on profit after

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FINANCIAL TIMES

Saturday March 5 1983

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MAN IN THE NEWS

Fair shares for all

BY CARLA RAPOPORT

IT WAS A WEEK for glimmers of hope. U.S. economic indicators were up slightly, Britain's unemployment total dropped slightly and Fisons, a major UK manufacturer which had been flat on its face just two years ago, reported profits which delighted even the most hardened City cynics.

The City responded with unashamed excitement.

Watching all the hub-bub was the company's biggest booster and the man principally responsible for its turn-round, Mr John Kerridge. The 48-year-old chief executive—a down to the ground marketing



John Kerridge

man with a sense of showmanship about him—did seem a bit taken aback by the market's reaction.

"I don't the least bit doubt that people reserved judgment about us. I think they now see the seeds of growth have germinated. But I don't pretend to understand what will put 20p on our shares or take 30p off," he said. Even the "wise heads" of the City's top broking firms, he pointed out, privately admit they can't predict market reactions. "If they can't do it, how can we?"

In many ways, Kerridge deserves the market's compliments. Just two years ago, Fisons announced profits of less than £4m and cut its dividend. The wounds were just healing over on two boardroom shuffles which led to the departure of two top directors. As a manager who had come up through the ranks of the company, Kerridge wasn't the obvious choice for the chief executive's job, but he was certainly the board member with the most grit and ambition.

Raised and educated in Ipswich, Kerridge was trained in the marketing divisions of Cadbury Fry, A.E.I. Hotpoint, and Rothmans before joining Fisons in 1967. "My favourite lesson," he said "was learning how to trade when things are changing. To me, good habits, like paying close attention to margins, are just oiling the wheels. What's important is to be responsive to change."

When he became chief executive in June, 1980, he exercised this belief on the company's core fertiliser business. The eventual sale of fertilisers improved Fisons' balance sheet and eliminated more than £1m in losses, but it was only part of Kerridge's campaign. He sold the company's art collection and moved the headquarters from Mayfair to Ipswich, slicing back on head office staff by more than half.

Turning on his remaining divisions—pharmaceuticals, horticulture and scientific equipment—he imposed a more profit-oriented, less scientific oriented regimen on all the divisions.

"Getting out and selling harder," is how Kerridge puts it, with the emphasis on getting more out of products through newer applications and wider marketing.

Not only can a small company like Fisons be viable in the pharmaceutical market (pharmaceuticals accounted for 65 per cent of trading profit in 1982 with sales of about £150m), according to Kerridge, but he has insisted that the division has become self-financing.

As most of those pharmaceutical profits rest on the success of the company's anti-asthmatic drug, Intal, the company and Kerridge are under some pressure to prove they can keep up the pace.

He seems fairly confident, but reckons there is a fair amount of work to go. Even so, he claims not to be a workaholic and says he plays squash, although his ample girth would discount the chief executive's ability to win matches. "We've got to get on with it. One thing I do know, you don't damn well manage the business for its share price."

SURPRISE EEC LINK BY W. GERMAN LEADER ON ELECTION EVE

Kohl warns on steel aid

BY JAMES BUCHAN IN BONN

WEST GERMAN Chancellor Helmut Kohl disclosed yesterday that if he was returned to power in Sunday's General Election he would seek to link a settlement of the dispute over the European Community budget with measures to limit national subsidies to European steel industries.

Herr Kohl made a surprising link between the two sets of problems at a Press conference to round off a vigorous and occasionally poisonous campaign.

West Germany was content to remain a net contributor to the EEC budget, but wanted a quick solution to the entire question, including the British contribution, he said.

Britain and West Germany are the largest contributors to the budget, but Britain has sought revision of the rules to reduce her net payment.

Responding to claims from the badly troubled West German

steel industry that it is being ruined by competition from, in the words of one steelmaker, "the united taxpayers of Europe," Herr Kohl said yesterday that in the context of the EEC budget he would press for tighter control from Brussels on subsidies to industry.

In Britain the Government has increased 1982-83 support for the British Steel Corporation from a planned £365m to £510m.

The EEC countries are committed to eliminating all subsidies to their steel industries by the end of 1985, but there has been increasing scepticism in recent months as to whether the commitment can be met because of dramatic deterioration in the finances of most steel companies, including West German ones.

Speaking as if he was certain of victory on Sunday, Herr Kohl

outlined plans yesterday for foreign travel after the election, including trips to Israel, Saudi Arabia, Egypt and possibly Japan.

"Monday will be a normal working day," he said three times.

He repeated that an economic upturn, which with an appeal to traditional values has been the main theme of his campaign, "is within reach," despite the pessimism of the Opposition Social Democrats.

Figures by the Economics Ministry yesterday did much to support this contention, with industrial orders in January up 6.5 per cent over December in seasonally-adjusted, real terms.

While the Ministry warned that part of the increase could be from an overhang from December, when the previous Government's investment bonus was still in force, the threatened failure in demand after

expiry of the bonus had simply not happened.

Here, Hans-Jochen Vogel, Social Democratic Party candidate for Chancellor, also saw a "realistic chance" of victory on Sunday.

He said that his party was motivated as at no time since the 1972 election and would be helped by the 90 per cent turn-out expected on Sunday.

He accused some conservatives of running a campaign of "defamation," which included an item in a right-wing newspaper last Sunday describing the young Vogel, who was like Herr Kohl a member of the Hitler Youth, as "the outstretched arm of Gaebbel."

In contrast, the SPD, he said, constructively discussed the three key issues of social justice, unemployment and international security.

Pressure on French franc, Page 2

Tokyo meeting may set common standard for video cassettes

BY GUY DE JONQUIERES

MORE THAN 100 electronics, tape and camera manufacturers from several countries are expected to endorse a new common standard for the next generation of video cassette recorders (VCRs) at a meeting in Tokyo on March 28.

The new format, which will be based on an 8mm cassette tape, is intended to supersede the three incompatible VCR standards which exist today. Two of these—VHS and Beta—were developed in Japan and the third—V2000—by the Dutch Philips group.

But it is uncertain how quickly manufacturers will adopt the new standard, and to which products. Philips wants to press ahead with developing 8mm VCRs to replace its entire

current range and is urging West Germany's Grundig and France's Thomson-Brandt to join forces with it.

Japanese companies, which have about 90 per cent of the £5bn a year world VCR market, are much more hesitant. They are reluctant to abandon their huge investments in production facilities designed to make VHS and Betamax machines. But they also fear being left behind by a switch to 8mm VCRs.

At present, they plan to use the 8mm format only for portable video cameras and recorders, due to be launched next year. None seems ready yet to make 8mm machines designed to record off-air broadcasts and play pre-recorded cassettes in the home.

That could change rapidly, however, if one of the "big four" Japanese VCR manufacturers breaks ranks and embraces the 8mm format wholeheartedly. The four are Sony, Victor Company of Japan (JVC), Matsushita Electric and Hitachi.

Industry experts believe that Philips' strategy to press ahead with the 8mm format will succeed only if the Japanese follow suit quickly. Piecemeal adoption of the new format could effectively only create a fourth standard.

Some Japanese companies believe that Philips hopes that the 8mm format will enable it to make a fresh start in the VCR market.

Thomson expects Grundig veto

BY OUR FOREIGN STAFF

THOMSON-BRANDT, the French State-owned electrical group, expects to learn early next week that its plans to acquire Grundig, the West German electronics manufacturer, have been turned down by the West German Cartel Office. The company is not expected to make any official comment until next week, but appears increasingly resigned to the likelihood that its bid will be blocked.

Dr Wolfgang Kartte, the Cartel Office president, told a meeting in Munich that his staff were looking at the proposed deal, "very questioningly."

Grundig declined comment on the latest state of negotiations over its future last night, although it revealed that Herr Horst Rosenbaum had abruptly resigned as its chief executive for what he described as "compelling reasons." He is the fifth chief executive to have left

Grundig relatively soon after joining it.

Philips, the Dutch electronics group which owns a 24.5 per cent stake in Grundig and has the right to block the sale of Grundig to a third party, said last night that rejection of Thomson-Brandt's bid would create an entirely new situation. Although Philips has consistently denied reports that it is preparing a counter-bid of its own for the 75.5 per cent of Grundig it does not own, the Dutch company appears now to be shedding some of its public caution.

Grundig is a very good partner and a big customer. We want to see a solution which is good for Grundig and we do not want to lose our customer," Philips said last night.

It has long been expected that the West German Cartel Office would oppose the Thomson-Brandt plan to take 75.5

per cent of Grundig's equity, because of the dominant position this would give the French company in the West German television market. That would have left the two companies the option of turning to the West German Government for a decision to overrule the Cartel Office. But fears about the protectionist stance of the French Government and strong political opposition to the deal in Germany have led many observers to conclude that whichever party was in power, would veto the Grundig takeover.

European Commission officials have confirmed that Viscount Etienne Davignon, the Industry Commissioner, has been in contact with the heads of all three companies, but it is stressed that the conversations were aimed only at keeping Viscount Davignon "abreast of the situation."

Coal strike campaigners go digging for votes

By John Lloyd, Labour Editor

A CAMPAIGN to persuade Britain's miners to vote for a strike in the national ballot next Tuesday is being mounted in every coalfield. But there are continuing signs that there is little desire for a fight at grass roots, or even official, level.

An appearance by Mr Arthur Scargill, the miners' president, at a rally in South Wales today has been cancelled, though the rally is to go ahead either today or tomorrow.

Mr Emyln Williams, the Welsh miners' president, said Mr Scargill's rhetorical talents would be put to better use in a less militant coalfield—though some pointed to the coincidence of the Wales/Ireland rugby international in Cardiff as possibly a more potent reason.

Area leaders, such as Mr Ray Chadburn of Nottinghamshire and Mr Peter Heathfield of North Derbyshire—both key weather-vane areas—voiced optimism that the ballot would succeed. Mr Heathfield said a meeting of branch officials on Thursday had fully supported the strike call.

Rank-and-file feeling will become clearer at branch meetings this weekend. But many senior officials privately feel that the widespread evidence, at votes taken in the last week, of the miners' revolt against area strike calls without a ballot is an indication that there is no heart for a struggle.

All stress, however, that much will depend on how successful the leadership is in convincing members that a nationwide programme of cuts is about to begin.

The proposed appointment to the National Coal Board chairmanship of Mr Ian MacGregor, chairman of the Fish Steel Corporation, has been a strong card—though that now appears less strong as doubts grow of Mr MacGregor's willingness to take the job.

National Coal Board officials, too, believe that only the MacGregor factor could save the miners' leadership from a further defeat. The ostensible cause of the dispute—the closure of the Tynewydd colliery—has been a long-running issue in South Wales and support for the week-old strike by the Welsh miners is no where seen as a large enough cause to trigger national action.

Continued from Page 1

'Lifeboat'

banking system as a result of possible difficulties created for some oil-producing debtor countries.

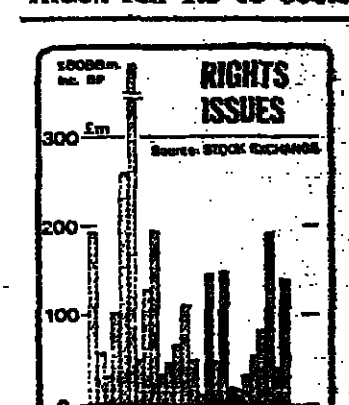
"One would want to consider a long-term low-interest stretch-out through a new entity which would carry Government guarantees," Mr Roberts, who has testified before the Finance Committee of the U.S. Senate on this subject, said he did not care whether the new agency was connected to the IMF or not.

The arguments against such an agency include the fact that it could take months or years to develop; that it could run into political obstacles, such as the need for approval from the U.S. Congress; and that the main emphasis of commercial and central banks in the foreseeable future must be on packaging rescues for the hardest hit of the debtor nations.

THE LEX COLUMN

Markets drive on the rights

Index fell 1.3 to 660.3



the bare interior figures. But quite clearly, after the recovery with a £14.5m turn-around at News International, the chances are it was at Boulevard Street rather than Gray's Inn Road. Earlier optimism by Times management has faded and now the aim is to chop the losses by £5m for 1984 this year.

In contrast the Sun managed to keep its circulation steady despite a loss of 100,000 copies in the first half of the year. Sales of the News of the World tailed off, but without any of the launch costs of the Sunday magazine, profitability was much better.

Assuming his disaster at the Times, though a loss of around £10m is bad enough, News International should top £20m profit this year. That should show up any weakness in Australia where Corporation is likely to maintain an 11 cents payout, giving UK special dividend shareholders a 71 per cent yield at 138p.

Corporate bonds

As the first industrial company to return to the UK corporate bond market for 10 years, BOC succeeded in getting its £100m issue away at a redemption yield margin of only 1.26 per cent over the Treasury 134 per cent 2004/08 stock. Yesterday, the BOC stock was trading at a margin of 1.88 per cent over the gilt even though BOC's share price was close to its all-time high.

Speculators who bought the partly-paid stock in September for its gearing effect, expecting interest rates to fall further, have recorded heavy losses—and their anxiety to dump the stock before yesterday's £750m final call served to depress its price further. Their fate has been shared by the purchaser of all the corporate bonds issued in the autumn. Only MFC's first mortgage debenture, last come close to holding its own against gilts. In the halcyon days of the 1980s, it took yield margins over gilts of only 0.5 to 1.0 per cent to persuade companies to flock to the bond market. Today, with redemption yields on long-dated corporate bonds at between 12 and 14 per cent, last autumn's mini-revival of the market appears to have run out of steam. A bare £35m has been raised in two corporate issues so far this year.

News International

In the best traditions of News of the World reporters who take their leave before any embargo, the new Rupert Murdoch's publishing empire in the UK and Australia stopped short of giving any explanation behind

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